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Challenges Of Indonesian Small Micro Enterprises (MSEs) In Fulfilling Halal Certification Obligations October 2024

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Abstract

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The challenge of mandatory halal regulations contained in Law Number 33 of 2014 concerning Halal Product Guarantees (UU JPH) and its derivatives, means that products entering, circulating and being traded in Indonesian territory must be halal certified. However, until now there are still micro and small enterprises (MSEs) in Indonesia that have not fulfilled this requirement. So the Indonesian government, in this case BPJPH, needs Pentahelix synergy by providing stricter outreach to business actors in its implementation. The aim of this research is to reveal the challenges faced by micro and small enterprises (UMK) throughout Indonesia in fulfilling halal certification obligations. The method used in this research is analytical descriptive analysis, namely describing and analyzing the challenges of micro and small enterprises (UMK) throughout Indonesia in fulfilling halal certification obligations. The research results prove that based on the JPH regulations, there are 3 product groups that must be halal certified as of October 17 2024, namely first, food and beverage products. Second, raw materials, food additives and auxiliary materials for food and beverage

products. Third, slaughtered products and slaughtering services. For micro and small enterprises (UMK) throughout Indonesia who have not carried out their halal certification obligations, they will be subject to sanctions in the form of written warnings, administrative fines, and the withdrawal of goods from circulation. It was stated that the sanctions applied were in accordance with the provisions in PP No. 39/2021 concerning the Implementation of the Halal Product Guarantee Sector.

Abstrak

Kata Kunci:
*Pelaku Usaha Mikro
Kecil, Sertifikasi
Halal, Wajib Halal*

Tantangan regulasi wajib halal yang tercantum dalam Undang-Undang Nomor 33 Tahun 2014 tentang Jaminan Produk Halal (UU JPH) beserta turunannya, menjadikan Ketentuan tersebut adalah produk yang masuk, beredar dan diperdagangkan di wilayah Indonesia wajib bersertifikat halal. Namun sampai saat ini pelaku usaha mikro kecil (UMK) di Indonesia masih ada saja yang belum memenuhi hal tersebut. Sehingga pemerintah Indonesia dalam hal ini BPJPH memerlukan sinergi Pentahelix dengan mensosialisasikan lebih ketat kepada pelaku usaha dalam pelaksanaannya. Tujuan penelitian ini adalah untuk mengungkap bagaimana tantangan pelaku usaha mikro kecil (UMK) di seluruh Indonesia dalam memenuhi kewajiban sertifikasi halal. Metode yang digunakan dalam riset ini adalah analisis deskriptif analitis yakni mendeskripsikan dan menganalisis tentang tantangan pelaku usaha mikro kecil (UMK) di seluruh Indonesia dalam memenuhi kewajiban sertifikasi halal. Hasil penelitian membuktikan bahwa berdasarkan regulasi JPH tersebut, ada 3 kelompok produk yang harus sudah bersertifikat halal per tanggal 17 Oktober 2024, yakni Pertama, produk makanan dan minuman. Kedua, bahan baku, bahan tambahan pangan, dan bahan penolong untuk produk makanan dan minuman. Ketiga, produk hasil sembelihan dan jasa penyembelihan. Bagi pelaku usaha mikro kecil (UMK) di seluruh Indonesia yang belum melaksanakan kewajiban sertifikasi halal, maka akan dikenai Sanksi berupa peringatan tertulis, denda administratif, hingga penarikan barang dari peredaran. Disebutkan, sanksi yang diterapkan sesuai dengan ketentuan yang ada di dalam PP No 39/2021 Tentang Penyelenggaraan Bidang Jaminan Produk Halal.

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Introduction

The Halal Product Guarantee Organizing Agency (BPJPH) has currently developed a web-based halal certification service for micro and small enterprises (UMK) (Yuanitasari et al., 2023). Furthermore, the challenges faced by MSEs are related to their minimal and uncertain income, making it difficult for them to process halal certification. A lack of understanding of information technology also hinders the process of processing halal certification online. MSEs still have limitations in the facilities, equipment and facilities needed to fulfill halal production requirements. They also do not yet have the necessary legal documents and the mindset that halal certification obligations only apply to businesses with large revenues, so they do not see it as an urgent need.

Meanwhile, the Ministry of Religion together with the Ministry of Home Affairs (Kemendagri) have also conducted outreach on APBD budgeting to finance the facilitation of halal certification for business actors in Indonesia (Damiana, 2024). The Halal Product Guarantee Organizing Agency (BPJPH) of the Ministry of Religion (Kemenag) warns of the implementation of the first stage of the provisions stipulated in Law No. 33/2014 concerning Halal Product Guarantee (JPH). This provision is that products entering, circulating and being traded in Indonesian territory must be halal certified. According to the Head of BPJPH, Ministry of Religion, Muhammad Aqil Irham, there are 3 business sectors in the food and beverage subsector that are required to comply with these provisions. "Based on JPH regulations, there are 3 groups of products that must be certified halal as the first stage ends. First, food and beverage products. Second, raw materials, food additives and auxiliary materials for food and beverage products. Third, manufactured products. slaughtering and slaughtering services.

This October 2024 Mandatory Halal Socialization is a continuation of various mandatory halal socialization programs that have been carried out previously. In 2022, BPJPH also held a Compulsory Halal Certification Campaign at 1,012 points simultaneously throughout Indonesia which even

received a MURI record as the largest simultaneous campaign ever. The plan is that the socialization of Mandatory Halal October 2024 involving all partners and stakeholders will be carried out through a series of activities in all provinces and 3,000 tourist village points. There, in addition to socializing halal certification obligations, MSEs can also directly consult and assist halal certification applications by PPH Facilitators in their respective regions.

Improving Halal Certification Services Regarding the implementation of halal certification services, BPJPH also continues to make strategic efforts to improve services. This includes strengthening the halal certification service ecosystem. This effort was carried out by BPJPH by increasing and expanding the distribution of Halal Inspection Institutions (Sharia Quality) and Halal Product Process Assistance Institutions (LP3H). Also, by preparing human resources for more and more equitable services. Currently, to support regular halal certification services there are 68 LPHs with 1,005 halal auditors in them. Meanwhile, to support self-declaring halal certification services, there are 237 LP3Hs available, with 85,360 companions or P3Hs.

BPJPH also carried out various efforts simultaneously by intensifying socialization, education, literacy and facilitating halal certification by involving various stakeholders. Strengthening JPH cooperation domestically and internationally also continues to be carried out to strengthen the halal ecosystem (Irham, 2024a).

Starting in 2024, food and drinks must be certified halal. So if MSEs commit violations they can be dealt with firmly, starting from withdrawing goods from circulation, freezing operations, to a fine of IDR 2 billion (Elnizar, 2024). In accordance with the provisions of Law Number 33 of 2014 concerning Halal Product Guarantee (JPH), products entering, circulating and traded in Indonesian territory must be certified halal. This halal certification obligation is in accordance with Government Regulation Number 39 of 2021 concerning the Implementation of the Halal Product Guarantee Sector, regulated in stages where the first phase of the halal certificate obligation will end on October 17

2024. Based on JPH regulations, there are three groups of products that must be halal certified along with the end of the first stage. First, food and beverage products. Second, raw materials, food additives and auxiliary materials for food and beverage products. Third, slaughtered products and slaughtering services. The activities of this product group must be halal certified by October 17 2024. If the product has not been certified and circulates in the community, it will be subject to sanctions. For this reason, we urge business actors to immediately obtain halal certificates through BPJPH. Aqil continued to appeal that the boundaries of the three product groups were clear, and without exceptions. So, for example, food products, whether they are produced by large, medium, small or micro businesses such as street vendors on the side of the road, are all the same, subject to mandatory halal certification in accordance with regulatory provisions.

Referring to data on the number of halal certified products in Indonesia, according to business scale as of 29 February 2024. Based on data from the Halal Product Guarantee Administering Agency (BPJPH), the number of halal certified products in Indonesia reached 3.99 million as of 29 February 2024. This number is still far from the target government amounting to 10 million by the end of this year (Rizaty, 2024). In fact, currently BPJPH is again providing Free or Sehati Halal Certification quotas through the self-declare halal certification route as a convenience that can be utilized by MSEs throughout Indonesia in fulfilling their halal certification obligations (Irham, 2024b). To support the halal industry ecosystem, currently there are 4,146 Halal Supervisors available. And we are still continuing to strive to strengthen human resources in the halal sector by continuing to encourage training for Halal Auditors, PPH Assistants, Halal Supervisors, Halal Slaughterers, including through the 16 existing JPH Training Institutes (Irham, 2023). Furthermore, the Director of KNEKS Sharia Ecosystem Infrastructure, Sutan Emir Hidayat, stated that KNEKS has prepared a strategy to accelerate the halal certification program from the implementation of the 2024 JPH Law. As of February 2024, the number of halal certified

products is 3,920,811 products, of which 1,350,947 products with the self-declare method. KNEKS also has a Free Halal Certification program (SEHATI), which is a program initiated by the Halal Product Guarantee Organizing Agency, Ministries/Agencies, Regional Governments and other BPJPH partners in order to make the 10 million halal certified products program a success, to help strengthen MSEs. This is an effort by the Indonesian government to realize the improvement of the Halal Industry (S. E. Hidayat, 2024).

Therefore, joint support is needed to encourage public awareness of the importance of halal certificates for a product. The halal legality of a product is a priority in the current era (Al-shami & Abdullah, 2023). All food and beverage manufacturing processes as well as slaughtering must be ensured to be carried out in accordance with halal product standards. This is important because 87% of consumers in Indonesia are Muslims, so the government considers it important to guarantee the halalness of products consumed by Muslims (Aceh, 2024). This halal certification obligation applies to all levels of business actors, from micro, small, medium and large (Nasir, 2024). Meanwhile, the Halal Product Guarantee Organizing Agency (BPJPH) of the Ministry of Religion (Kemenag) held a socialization on Mandatory Halal October 2024 (WHO 2024). This socialization will target 5,040 central points for MSME actors in Indonesia (Hawari, 2024).

The challenge of mandatory halal regulations contained in Law Number 33 of 2014 concerning Halal Product Guarantees (UU JPH) and its derivatives, means that products entering, circulating and being traded in Indonesian territory must be halal certified (Putra, 2023). However, until now there are still micro and small enterprises (MSEs) in Indonesia that have not fulfilled this requirement. So the Indonesian government, in this case BPJPH, requires Pentahelix synergy by providing stricter outreach to business actors in its implementation (Jubaedah et al., 2023).

The aim of this research is to reveal the challenges faced by micro and small enterprises (UMK) throughout Indonesia in fulfilling halal certification obligations.

Method

The method used in this research is analytical descriptive analysis, namely describing and analyzing the challenges of micro and small enterprises (UMK) throughout Indonesia in fulfilling halal certification obligations. One of the instruments to encourage sharia economic growth in Indonesia, especially through the development of research and innovation, is to conduct research (T. Hidayat et al., 2022). The object of research in this research is the challenges faced by micro and small enterprises (UMK) who will fulfill their halal certification obligations in Indonesia. This is in line with the opinion of Amrudidn, et al in their book entitled "Islamic economic research methodology" that all economic activities that occur in society are also objects of research on muamalah and sharia economics (Amruddin et al., 2022)

Results and Discussion

Micro and small enterprises (UMK) throughout Indonesia face several challenges in fulfilling halal certification obligations. Here are some of them:

Financing

One of the main challenges for MSEs is the costs associated with the halal certification process (Firdaus, 2022). This certification process can require significant costs, especially for businesses with a small scale and limited resources. Business actors have the right to receive outreach, education and information about the halal product guarantee system, guidance in the production of halal products, as well as services to obtain halal certificates efficiently, quickly, without discrimination and at affordable costs (in accordance with Article 23 of the JPH Law). Business actors who produce products from non-halal ingredients are not required to apply for halal certification, but they must include information on their products stating that

the product is not halal (in accordance with Article 26 of the JPH Law). If they do not comply with these regulations, they will be given a warning or warning, either verbally or in writing, and subject to administrative fines (in accordance with Article 27 of the JPH Law).

The potential success of the free halal certification program is supported by the large number of micro and small business actors and the majority of Indonesia's Muslim population as the market. Free Halal Certification Regulations for Micro and Small Businesses are carried out through independent halal declarations with the assistance of Halal Product Process Companions (PPH) based on Law no. 33 of 2014, PP No.39 of 2021, PMA No.20 of 2021, Kepkaban No.77 of 2021 and Kepkaban No.33 of 2022. Problems that arise in implementing free halal certification programs such as Sehati include: lack of socialization and information regarding the existence of the non-optimal role of stakeholders (Noviani et al., 2022), PPH assistants who are not careful in carrying out verification so that many files are returned, the absence of business actors who are less responsive to Sehati regulations and digital services, less than optimal assistance in the product process halal (Kasanah & Sajjad, 2022).

In practice, Small and Medium Enterprises (MSEs), most of which operate on a small production scale, require a lot of time and quite a lot of money. They must prepare various documents, undergo training, and fulfill requirements that are considered difficult to produce goods that meet halal standards. Despite this, MSEs remain confident that the products they sell are halal and safe (Kohilavani et al., 2021). Micro and Small Enterprises (UMK) face limitations in terms of availability of facilities. In the production process, it is important to have clean and well-maintained facilities, such as hand washing areas, areas separated from items considered haram or unclean, and processing that does not directly come into contact with the dirt floor. However, MSEs often do not have adequate space or facilities. The cramped conditions of their homes mean that they often have to place production materials haphazardly, even close to traffic lanes. Apart from that, there are obstacles related to

fulfilling halal requirements, both in terms of the materials used and the production process.

One example is the requirement that the ingredients used must be halal and must have a halal label listed on the packaging, except for raw materials such as rice, onions, chilies and tomatoes which come from the initial supplier. Even though MSEs do not fully meet the criteria for halal production facilities, they try to explain to consumers that their products are truly made from halal materials and produced in a clean and safe manner. In terms of completeness of documents, MSEs also do not have all the documents required for the administration of halal certification registration. These documents include data on business actors, business permits or legality of the business being run, as well as information about halal supervisors who have received certification.

In addition, the document must include the name and type of product that does not violate the rules or use names related to things that are considered haram, a list of materials used (including raw materials, additional materials and auxiliary materials), halal product processing processes, and halal guarantee system documents. One of the main concerns for MSEs is the costs associated with obtaining halal certification, for example, to obtain a business permit or business legality, a NPWP document is required, and most MSEs do not yet have a NPWP (Taxpayer Identification Number).

The next challenge is the mindset that MSEs have regarding halal certification. This mindset is the result of the experiences and situations they have experienced, which then influences how they view and respond to halal certification. For MSEs, the obligation to obtain halal certification may not be considered an urgent need if there is no direct appeal or support from the Village Government or related parties who can help, facilitate and provide assistance in the process of obtaining halal certification. Furthermore, when asked about their ability to process halal certification, MSEs stated that they could actually do it if the costs were free and the processing process was not too difficult. However, they are of the view that halal certification is actually not

really necessary for small-scale or home-based businesses, because their customers are neighbors nearby and maybe two to three neighboring villages away. They know each other and already know about each other's conditions. According to MSEs, halal certification should only be mandatory for large business actors because they produce products in large quantities and are consumed by people outside the region.

Halal certification allows companies to enter this market with their products and meet the expectations of local consumers. However, it is important to remember that halal certification is not just about entering the markets of Muslim-majority countries. Muslim consumers exist all over the world, including in western countries (Herdiana et al., 2024).

Knowledge and Understanding

Some MSEs may not have sufficient understanding of halal certification requirements, including the procedures and documentation required. This lack of knowledge can be an obstacle in starting or completing the certification process (Abdul Halim et al., 2024). Indonesia is a region with the largest Muslim population in the world (Es, 2023). According to Global Religious Futures data, the Indonesian population who embrace Islam has reached 209,120,000 people or 87.2% of the total Indonesian population and 13% of the world's Muslim population. This is the Population Growth Projection, 2010-2050 (NW et al., 2022). This raises the need for halal food to continue to be available in accordance with Islamic law (Izhar Ariff Mohd Kashim et al., 2023). Meanwhile, the Indonesian Ulema Council (MUI) approximately 20% of the total food has been certified halal (Fadilah et al., 2022). The Indonesian people's knowledge about halal certification, which was originally voluntary, has become mandatory for business actors. So, MSMEs are also required to implement a Halal Guarantee System so that product quality and quality is better in the eyes of consumers. This is one form of realizing the development of the Halal Industry in Support of the Indonesian Sharia Economic Masterplan through the Movement Towards Halal Certification (GEMESH) Program

(Putro, 2023). Halal food products are important for Muslims. Every Muslim is obliged by law to consume halal food. Islamic Sharia has also regulated the fulfillment of the need for halal food consumption in the Al-Qur'an (Putri & Adiba, 2023).

The need for halal food is increasing along with the increase in population. So products that already have a halal certificate have a large market opportunity to further develop. So this is very important to remember that basically Allah SWT in His Word has given guidance to all of His human creations to consume halal food.

Knowledge and understanding of halal certification, including one form of compliance with the law regarding halal certification, has several important implications, both for business actors and consumers. Some of the reasons why compliance with the law regarding halal certification is very important is related to consumer interests, where Muslim consumers have the right to obtain products that comply with the principles of their religion. By complying with the law regarding halal certification, business actors ensure that their products can be trusted by Muslim consumers as products that comply with religious guidelines. Furthermore, the halal product market continues to grow globally, with increasing numbers of Muslim consumers seeking products and services that meet halal standards. By complying with laws regarding halal certification, businesses can expand their market share and take advantage of growing business opportunities.

As for knowledge and understanding about halal certification, it is the fulfillment of religious obligations, where this is one form of form for business actors who have religious beliefs, complying with the law regarding halal certification is a form of fulfilling religious obligations. This allows them to run their business with integrity and adherence to their religious values. Increasing reputation and trust means that compliance with laws regarding halal certification can increase the reputation and trust of business actors in the eyes of consumers. By ensuring that their products are certified as halal, businesses

can prove their commitment to quality and compliance with established standards. The next benefit is the prevention of legal disputes, where by complying with the law regarding halal certification, business actors can avoid the risk of being involved in legal disputes related to false claims or misuse of halal labels. This can reduce potential financial and reputational losses that could arise as a result of legal disputes (Solehudin & Ahyani, 2024).

Consumer safety and health is an important part in providing knowledge and understanding about halal certification. Namely, by ensuring that their products have been certified as halal, business actors can also provide guarantees for the safety and health of their products for Muslim consumers. This is because the halal certification process also pays attention to aspects of product cleanliness, safety and health (Ahyani, 2024). By complying with laws regarding halal certification, businesses can gain significant benefits, including increasing consumer confidence, expanding market share, and ensuring long-term business sustainability.

Infrastructure and accessibility

In some areas, especially in rural or remote areas, limited infrastructure can be an obstacle in accessing halal certification bodies or meeting certain technical requirements. Halal industry infrastructure and accessibility are important factors in facilitating the growth and development of the halal industry. By strengthening the infrastructure and accessibility of the halal industry, the government and other stakeholders can help accelerate the growth and development of the halal industry, including supporting MSEs to better fulfill halal certification requirements (Setiana et al., 2021). The government's commitment to promoting halal certification as part of its industrial development strategy is a strategic step. By speeding up and simplifying the process of obtaining halal certification, it is hoped that it will encourage the growth of the halal industry in Indonesia. Apart from that, this can also increase the competitiveness of products from this area in national and international markets. This socialization and facilitation program is also a concrete form of

the government's commitment to building a superior halal country in Indonesia (Ahyani et al., 2021). By strengthening the infrastructure and capacity of the halal industry, it is hoped that more business actors will emerge who are able to meet strict halal standards and compete in the global market (Permata et al., 2023).

Production Capacity

MSEs often have limited production capacity. The halal certification process may require changes in production processes or procurement of certain raw materials, which may impact production capacity and business sustainability. MSMEs are one of the supporting sectors of the Indonesian economy which has proven capable of improving the Indonesian economy over the last few years. This is proven by the report from the Ministry of Cooperatives and MSMEs of the Republic of Indonesia which stated that MSMEs were able to contribute up to 61.07% of GDP or IDR 8,573.89 trillion. The MSME trend has become more embedded in the wider community compared to large businesses (such as PT, Firma, and CV), so that many people are interested in setting up MSMEs. This is for several reasons, including: easier establishment of MSMEs, relatively small capital, and easier management or administration of MSMEs.

Over time, the term halal MSMEs emerged among the public. Halal MSMEs themselves are a term for MSMEs whose products are halal, starting from raw materials, manufacturing methods, to packaging that conforms to the teachings of the Islamic religion. The existence of halal MSMEs is a demand from the large number of Muslims in the world, especially Indonesia. In Indonesia itself, the number of people who are Muslim in 2022 will be 237,558,000 people or around 86.93% of the total population of Indonesia. So it is not surprising that the need for halal products in Indonesia is also high.

Market competition

In the midst of intense market competition, having halal certification can be a determining factor for success in attracting Muslim consumers. However,

some MSEs may have difficulty competing with other businesses that already have halal certification or have greater resources to obtain such certification. This is in line with the opinion of (Hariani, 2023) in his research entitled "Potential and Strategy for Development of Halal MSMEs in Indonesia", stating that MSMEs as part of the development of the Indonesian halal industry have high potential to be developed nationally and internationally. This is proven by the high consumption of halal products by Indonesian people every year. Dinar Standard research data shows that in 2020, Indonesian people's spending on halal products increased by 53% with total consumption of US\$184 billion (Yuanitasari et al., 2023). This makes Indonesia the largest consumer of halal products in the world, namely around 11.34% of global consumption of halal products. However, behind the high consumption of halal products in Indonesia, it turns out that there are still things that hinder the progress of halal MSMEs in Indonesia. Healthy market competition can also be carried out by prioritizing Islamic business ethics as a support in realizing an ideal (healthy) business (Ahyani et al., 2022).

Updates and maintenance

After obtaining halal certification, MSEs need to ensure that they continue to meet the set standards. This involves regular updating and maintenance of production processes to comply with certification requirements. Halal food in Indonesia is food that has been given a halal certificate by the MUI to companies that submit a halal test to the MUI. This halal certificate gives permission to companies to include a halal logo on product packaging, so not all food can be said to be halal. As a Muslim, of course you are obliged to consume and know about halal food (Murhanjati S., 2020)

Maintaining production processes to comply with halal certification requirements is an important stage in ensuring compliance with halal standards (Putra & Farid, 2021). By implementing these steps consistently, businesses can maintain their production processes in accordance with halal certification

requirements and ensure that their products remain acceptable to markets that require halal products.

The factors that really determine the success or failure of fulfilling the target of all food industry business actors regarding having been certified halal in Indonesia according to (LPPOM MUI, 2023), include the following, namely:

The length of the Halal Certification Process with the Growth of Halal Certified Companies

The halal certification process consists of four stages: pre-certification, registration, inspection (audit) to the PPH, and post-inspection (fatwa commission meeting and certificate issuance). The pre-certification stage is a preparation process that must be faced by business actors. At this stage, companies usually take part in training or outreach programs regarding halal certification and prepare required documents in the form of material documents and halal product guarantee system documents (Mahbubi et al., 2019). Companies that are able to understand halal certification procedures and requirements well are usually able to complete the halal certification process more quickly (Sakirah et al., 2021). The registration stage is where the company registers its product with BPJPH by attaching the required documents. If it is deemed to have been fulfilled, BPJPH will issue a Document Receipt Letter (STTD) as a condition for continuing the selection of a Halal Inspection Institution (LPH) by attaching all the required documents and accompanying the inspection process by the LPH. However, the speed of the halal certification process is largely determined by the combined commitment of both of them in carrying out their roles in accordance with their respective responsibilities. The proactivity and initiative of both in responding to every issue that arises in accordance with their respective roles will lead to a faster halal inspection process. The faster the halal inspection, with the same resources, the greater the number of companies inspected.

When the company has been deemed sufficient by the LPH in fulfilling the requirements, the next stage is to prepare an audit report to be submitted to

the fatwa commission hearing. Although usually not many reports are rejected during the fatwa determination process, there is still a chance of it becoming "pending matters" when there is information that is deemed incomplete by the fatwa commission. Therefore, the accuracy in preparing the report by the LPH will also determine the process of determining the fatwa. If each stage of the process is hampered, the process of issuing halal certificates by BPJPH will also be delayed and the growth rate of certified companies will also be hampered (Ahyani, 2021).

Company Awareness to Follow the Halal Certification Process

A person's awareness of something arises because of the person's belief in the benefits or importance of that thing or if not done it poses a threat to him, including the issue of halal certification (Abdurohman & Ahyani, 2022). The urgency of the benefits and level of importance can arise if knowledge about halal certification is adequate, including the consequences of not having a halal certificate for business actors, tips and tricks for making the halal certification process run smoothly, and other relevant matters such as increasing the value of the product in the eyes of consumers and the possibility of compete at the global level (Juniwati & Maghribi, 2022). Therefore, programs that increase the level of awareness of business actors need to be intensified (Putra et al., 2023). But there is also the art: inviting business actors, especially those on a micro and small scale, to attend outreach programs, training or workshops is not an easy matter (Mutmainah et al., 2022). For business people in this category, time is a luxury because the business owner usually also runs the business. Without the presence of an owner, business operations will stop. So even though they are given free access to take part in the program, sometimes they still object. Even if they want, they also ask for compensation for lost income during the event or at least receive pocket money or replacement transportation costs. It is true what consumer behavior experts say, a transaction occurs if the consumer voluntarily sacrifices all resources to make the transaction occur; not just the price paid for the product. In the case of socialization, training or workshops related to halal

certification, even if it is an analogy to a transaction, even at a price of zero rupiah, they are still reluctant, because there is something else they are sacrificing, namely business income for that day.

So there is resistance and there must be an effort to find a solution. In fact, in the halal product supply chain, a halal slaughterer is very decisive. When a slaughterer fails to meet the requirements as a halal slaughterer, the halal animal he slaughters has non-halal status and all parts of the animal become non-halal. We can imagine that a chicken noodle seller buys chicken from a trader who employs a slaughterer like that, then the chicken noodle becomes not halal. Or, other business actors who use chicken meat as one of their ingredients, such as nuggets, meatballs, sausages, chicken satay, lempur, chicken porridge, or restaurants that use chicken as raw material; Even the products are not halal either.

In the halal certification process, if for example there is an ingredient that comes from halal animals that has never been certified and it is an ingredient from a company that is being certified as halal, then usually the two business units will undergo a halal certification process in parallel so that the company uses ingredients from derivatives. The animal does not stop because the halal status of the ingredients is unclear. If the halal slaughterer is not competent then of course the two business units could fail to obtain a halal certificate. Imagine what would happen if there were many halal slaughterers like that and the impact this would have on all business units that use meat from them. It is clear that there will be a bottleneck in the effort to ensure that all food business units must be certified until a solution to this problem can be found (Putra & Solehudin, 2022).

Halal Certification Costs Based on Company Capabilities

The cost of halal certification for micro and small businesses is IDR 650,000 for a validity period of 4 years. If we calculate the expenditure of micro and small businesses for halal certification, it is 162,500 per year. If calculated per month, the amount of expenses that must be covered is not up to 15,000

Rupiah. The problem is that not all business units are able and willing to spend that nominal amount up front, for the next four years. Therefore ministries/institutions or BUMN/BUMD or LPH such as LPPOM MUI usually cover the costs of their halal certification in a limited amount. Because the number of free halal certification quotas is limited, the consequence is that there needs to be an increase in stakeholders who must be willing to cover the costs of their halal certification. Even so, usually the recruitment or selection or curation process for business actors also requires time from starting to prepare them through socialization programs, providing assistance in fulfilling the required documents and having to be willing to be "a little complicated" in implementing a good business administration (read: record keeping) culture. not all actors "want" to do it.

We can imagine if this business actor operates in the catering or restaurant sector which uses tens or even hundreds of ingredients. Not all ingredients are critical such as rice, vegetables or fruit. However, it must still be recorded as part of the list of ingredients that make up a product or menu alongside other ingredients such as meat, fish, flour, flavorings, various seasonings, spices, beverage ingredients and desserts, the total of which is sometimes -sometimes reaching hundreds of them. Indeed, not all actors have to take part in the regular halal certification program, there is a "self-declare" program for non-critical products. However, it still takes time in the PPH assistance program, including ensuring that the product is not critical. In the process of implementing the "self-declare" program, there are still documents that must be prepared, although most of this is done by the "self-declare" program assistant. Again, not all business actors implement a culture of recording (even in simple administrative forms). Neat administration is important because even if the "self-declare" program ends, there must still be a report as material for consideration in the process of determining the fatwa at the fatwa commission meeting.

Accelerate the Halal Certification Process for Critical Animal Products and Their Derivatives

Throughout the food industry supply chain, for the sake of success in achieving the target of all halal-certified business actors, halal certification of critical animal-derived products in the upstream industry is very crucial. Critical products originating from animals must be a priority in efforts to accelerate the achievement of this target. The issue of halal certification of animal products and their derivatives is intertwined with existing issues in the industry. It should be noted that the number of slaughterhouse businesses for both ruminants and poultry that have been certified halal is still limited. Moreover, animal slaughtering places are carried out individually, such as chicken slaughtering places in traditional markets or goat slaughtering places in goat meat processing business units (such as goat satay, goat curry, or aqiqahan businesses). Indeed, a thorough strategy and plan is needed to create an integrated program to accelerate business units like this to become halal certified and this must also be done on a massive scale.

The biggest homework assignment, as mentioned previously, is to guide the slaughterer to be competent as a halal slaughterer. Because the halal certification process for slaughterhouses/slaughterhouses really depends on the competence of the slaughterer, in addition to ensuring that the production process is protected from contamination by haram/unclean materials. Another issue is facilities related to animal products and their derivatives, including facilities such as meat mills (which are available in markets) and logistics and retailers related to storage and transportation which are prone to contamination with haram/unclean materials. Also, free from the actions of naughty perpetrators who misuse wild boar meat which is claimed to be halal meat by smearing it with cow's blood or mixing it with beef.

Synchronization and Orchestration of Halal Stakeholders

To make this acceleration program run smoothly, all stakeholders must work together under the leadership of BPJPH to achieve this target, namely by

empowering 21 Ministries/Institutions, 11 LPH (Halal Inspection Institutions)/Sharia Quality, and 131 PPH (Product Process) companion institutions. Halal), as well as 34 provincial halal task forces.

To overcome these challenges, governments, certification bodies, and business organizations can provide support in the form of training, financial assistance, better infrastructure accessibility, and the provision of easier-to-understand information about the halal certification process. Apart from that, collaboration between MSEs and related parties, such as certification bodies, universities and other business organizations, can also help in obtaining halal certification more efficiently and effectively.

Other obstacles include the minimal role of related institutions which is considered less than optimal. With the obstacles mentioned above, this has indeed proven that the performance of the relevant government institutions is less than optimal. Both the main government institutions and their subsidiary institutions are still not optimal in carrying out their roles in efforts to advance halal MSMEs in Indonesia. Therefore, relevant government institutions must improve their performance by making efforts to resolve the obstacles mentioned above. By making these efforts, the government can show its seriousness in realizing its mission to become a center for the halal industry by 2024.

Conclusion

The research results prove that: First, based on the JPH regulations, there are 3 product groups that must be halal certified as of October 17 2024, namely First, food and beverage products. Second, raw materials, food additives and auxiliary materials for food and beverage products. Third, slaughtered products and slaughtering services. For micro and small enterprises (UMK) throughout Indonesia who have not carried out their halal certification obligations, they will be subject to sanctions in the form of written warnings, administrative fines, and the withdrawal of goods from circulation. It was stated that the

sanctions applied were in accordance with the provisions in PP No. 39/2021 concerning the Implementation of Halal Product Guarantees.

Second, micro and small enterprises (UMK) throughout Indonesia face several challenges in fulfilling halal certification obligations, including: Cost, Knowledge and understanding, Infrastructure and accessibility, Production capacity, Market competition, and Updates and maintenance.

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