

## Dynamics of the Development of Halal Guarantees Indonesia in the Framework of Islamic Economics

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### ABSTRACT

The purpose of this research is to describe the dynamics of the development of halal guarantees in Indonesia through a qualitative approach. The research method is a qualitative descriptive analysis, during which information from various sources, including legal regulations, scientific journals and official documents, is examined. The dynamics of the development of halal guarantees in Indonesia show progress, but challenges still need to be addressed. Effective regulations, industry readiness and public understanding are the most important keys to the success of a halal guarantee system. In the Islamic economic framework, the halal guarantee must be seen as an effort to achieve sustainable prosperity and social justice. The qualitative approach of this study provides a deeper understanding of the various aspects that affect the halal guarantee in Indonesia. The researcher's proposal is that the government should continue to improve the regulation related to halal guarantees, including specifying the roles and responsibilities of different institutions. For example, 1) Supporting SMEs, 2) Information and awareness campaigns 3) Cooperation and synergy.

## **INTRODUCTION**

Indonesia, as the country with the largest Muslim population in the world, has a great responsibility to ensure that . Halal quality of products consumed by people. Halal guarantees are not only a religious obligation, but also an important part of the Islamic economic framework, which supports the principles of justice, prosperity and sustainability. In this article, we discuss the dynamics of the development of halal guarantees in Indonesia using a qualitative approach to gain a deeper understanding of the aspects that affect it. The origin of the importance of the Halal guarantee Since the arrival of Islam in Indonesia, halal food and drink has become an important part of religious practice. Islamic teachings place great emphasis on the concept of halal and purity in food consumption. That is why the Muslim community in Indonesia is always looking for products that are guaranteed halal.

Role of Islamic organizations: Islamic organizations in Indonesia have been active in monitoring and providing halal certification for food and beverages since colonial times. Several leading Islamic organizations such as the Indonesian Ulema Council (MUI), Nahdlatul Ulama (NU) and Muhammadiyah play an important role in the halal guarantee process. Government regulation that aims to regulate and control the halal guarantee through laws and regulations.

The Indonesian government has issued various policies related to halal guarantees, including establishing the Halal Product Guarantee Organizing Agency (BPJPH) under the Ministry of Religion. Development of the Halal Certification System As public awareness of the importance of consuming halal products grows, the halal certification system continues to evolve. Indonesia's halal certification body MUI has developed stricter procedures and criteria to obtain the halal mark (Faridah, 2019)

Although efforts have been made to guarantee halal products, there are still challenges and disputes in the guarantee. halal process in Indonesia. Issues that often arise include the halal issue of additives, complicated certification processes, and the presence of fake products pretending to be halal. As the Muslim community's awareness of the importance of consuming halal products grows, so does the need for a reliable and transparent halal guarantee system. The Halal Product Guarantee Organizing Agency (BPJPH) was established in Indonesia, which controls and guarantees the halalness of products. However, the journey to an effective and functioning halal guarantee system is not easy. Various challenges must be overcome, ranging from regulations, public understanding to industry capacity. Thus, it is necessary to study the dynamics of the development of halal guarantees in Indonesia within the Islamic economy.

## LITERATURE REVIEW

### *History and Development of Indonesian*

Certification Before the Indonesian Ulema Council (MUI) implemented halal certification in 1989, the Ministry of Indonesia started halal food labeling in Indonesia in late 1976. Health. Specifically, on November 10, 1976, all food and beverages containing pork or its derivatives had to be able to identify that the food contained pork. It is governed by Regulation No. 280/Men.Kes/Per/XI/76 of the Minister of Health of the Republic of Indonesia, which deals with the marketing and labeling regulations for ingredients derived from pork. Food manufacturers using pork or its derivatives must affix a printed or affixed warning label to the container or package. Warning labels must contain two elements, which are a picture of a pig with the words "CONTAINS PIKA" in red and a red square box. Ten years later, on August 12, 1985, the name changed, first to "MAROJ" and finally to "HALAL".

The government published the joint decree of the Minister of Health and the Minister of Religion No. 42/Men.Kes/SKB/VIII/1985 and No. 68/1985 regarding the inclusion of the halal letter in the names of foods. Names can be added after the manufacturer has notified the Ministry of Health (MOH) about the composition of the material and the method of handling the product. The Ministry of Health and the Department of Religion are jointly responsible for inspection through the Food Registration Evaluation Group of the Directorate General of Drug and Food Control of the Ministry of Health. The synchronization of the policies of the Ministry of Religion, the Ministry of Health and the MUI began with the signing of a cooperation charter on June 21, 1996 regarding the inclusion of halal symbols in foods. Originally, the name halal was given to the company's one-sided information about the composition of the ingredients used. If a company declares that its products do not contain non-halal ingredients, the company can use the name halal.

This practice is considered ineffective to ensure the halal of products. With the release of Decree No. 924/Menkes/SK/VIII/1996, there was a change in the addition of names. Before a company labels its products as halal, it must first obtain approval from the General Directorate of Drug and Food Inspection (Dirjen POM) based on a fatwa issued by the MUI Fatwa Commission. Once the certification is completed and the product does not contain non-halal ingredients, MUI will issue a halal certificate. MUI only provides suggestions for adding the official MUI halal symbol and writing the halal certificate number. However, regulations regarding the addition of halal symbols are under the control of BPOM RI, adding a halal certificate to the application. In 2000, the Director General of the POM became the Food and Drug

Administration (BPOM), when halal labeling also moved to the BPOM (Wijayanto and Guntur 2001).

The government issued Decree No. 69 of the Government of the Republic of Indonesia on Food and Advertisements of 1999 , explaining that installation on packaging The halal name must be verified in advance by an authorized inspection body according to the instructions and procedures of the Minister of Religion (Afroniyati 2014). A food label is information that contains information about food and can be in the form of an image, text or a combination of these, attached or attached to the package (Maulidia, 2013).

To comply with these regulations, Minister of Religion Decree (KMA) 518 of 2001 and KMA 519 of 2001 were issued, which stated that the Minister of Religion appointed MUI as a halal certification body to carry out inspections, processing and designations. Halal certificate. At the same time, MUI is working with BPOM to install halal symbols on packages. The Organizational Agency for Halal Product Guarantee of the Ministry of Religion (BPJPH) determines the nationally applicable halal name. Determination of the Halal name is stated in BPJPH Director Regulation No. 40-Determination of the Halal Name of 2022. The decree was issued in Jakarta on February 10, 2022, signed by BPJPH director Muhammad Aqil Irham, and entered into force on March 1, 2022. The Halal name , according to BPJPH director Muhammad Aqil Irham, was implemented under the Halal Product. Guarantee (JPH) Act No. 33 of 2014 for implementation of the provisions of section 37. The decision is also part of the mandate of the government's 2021 JPH Sector Implementation Regulation (VP) No. 39. In accordance with the legal provisions, especially Article 37 of Law No. 33 of 2014 on Halal Product Guarantees, BPJPH determines the halal name in the form of a symbol, as officially attached to the regulations of the Director of BPJPH.

### ***National Halal Brand***

The Indonesian Halal brand philosophically adapts Indonesian values. The forms and patterns used are cultural artifacts that have unique characteristics, a strong character, and represent Halal Indonesia. The shape of the Indonesian Halal label consists of two elements, namely the Gunungan shape and the Surjan or Lurik Gunungan motif in shadow puppets, which is an upward pyramid shape. It symbolizes human life", "The shape of the mountain is arranged in such a way that the calligraphic Arabic letters consist of the letters Ha, Lam Alif and Lam in the same series, forming the word Halal." That shape shows that higher Knowledge. and together with age People should concentrate more and more (golong gilig ), which unites the soul, feelings, creation, karsa and work in life, i.e. closer to the Creator, contains quite deep

philosophical meanings. Among them, there are 3 pairs of buttons (6 buttons) on the neck of the deceased's shirt, which all represent religious pillars. In addition, the parallel themes of surjan/lurik also contain the meaning of separation/giving clear boundaries. This is in line with the goal of establishing a halal product guarantee in Indonesia to ensure the convenience, safety, security and availability of halal products for the public to consume and use the products", Indonesia Halal Label uses purple as the main color of the product. purple product represents the unity of faith, birth and imagination.

The time of the development of halal guarantees reflects the development and evolution of processes and policies related to halal guarantees. These periods reflect the complexity and dynamics of halal assurance and efforts to adapt to changing social, economic and technological developments. (Faridah, 2019).

**a. Time before LPPOM MUI**

Was founded Halal products consumed by Muslims were initially only regulated by religious teachings (Islamic Sharia), but later it showed positive things when halal products became positive regulations regulated by state laws. This is the Indonesian government's concern about the Islamic halal product guarantee, which aims to clarify to followers of the Islamic faith whether domestic food is distributed or sold to the public or not. Thus, not only individuals and clerics, but also the government is responsible for the halal status of food, beverages, medicines, cosmetics and other goods consumed by Muslims. The development of halal products in Indonesia cannot be separated from the development history of the Ministry of Religion.

**b. Period since the establishment of LPPOM MUI**

LPPOM MUI issued the first halal certificate to consumers and producers, and now the community can feel the benefits. In the implementation of Halal certificates, LPPOM MUI collaborates with the Food and Drug Administration (BPOM), the Ministry of Religion, the Bogor Institute of Agriculture (IPB), the Ministry of Agriculture and the Ministry of Cooperatives. The vision of this institution is to become a reliable halal certification body in Indonesia and the rest of the world to give peace to Muslims and become a global halal center that provides information, solutions and halal standards that are recognized nationally and internationally . The mission of this institution is as follows: 1). Creation and development of Halal inspection system standards. 2). Makes halal certification for halal products in circulation and for public consumption. 3).

Educate and sensitize the public to always consume halal products. 4). Provide complete and accurate information about halal products from different perspectives. The Indonesian Ulema Council (LPPOM MUI) Food, Drug and Cosmetic Research Institute is a technical institution of the Indonesian Ulema Council (MUI). The scope of activities of the Food, Drug and Cosmetic Institute includes halal certification, halal guarantee system training, research and study, halal socialization and promotion, and regional LPPOM training. Halal certification is the core of this facility of.

### **c. Time since the establishment of BPJPH**

Minister of Religion Lukman Hakim Saifuddin inaugurated the Organizational Body for Halal Product Guarantee (BPJPH) on October 11, 2017. The legal basis for the establishment of BPJPH is the provisions of Act No. 33 of 2014. About Halal Product Guarantee. The Halal Product Guarantee Law (JPH) can be said as one of the longest discussed laws in the DPR. The academic text of the JPH bill was prepared in early 2006, submitted to the DPR in 2008, and passed into law in 2014. The presence of BPJPH strengthens the halal certification that MUI has been handling for decades. The halal certificate was changed and quickly upgraded from voluntary to mandatory, ie. something is prescribed by law for the benefit of the whole nation. If BPJPH is present as an Echelon I level structural unit of the Ministry of Religion, a great change is expected in our country, especially in the development of the halal industry, according to the hope of the Minister of Religion. in his speech at the opening of BPJPH.

## **METHODOLOGY**

The research method used here is library research or literacy study. Library research is a method of research where all activities are related to reading, recording and collecting library data and managing research materials. Meanwhile, literacy studies are a method of research which involves summarizing writings from books, journals and other documents, then describing the information and theories obtained, and organizing these libraries into related discussion sub-chapters. with the required topics. In this research, the type of data used by the author is data obtained from literature studies. The data that has been obtained is then analyzed using descriptive analysis methods.

Research data sources are obtained from published journals or articles or are called secondary data sources. Then the collected data was analyzed using content analysis and descriptive analysis. This content analysis is an analysis that describes a very in-depth discussion of information that has been obtained from literature. Meanwhile, descriptive analysis is useful for describing,

describing and uncovering an issue or problem accompanied by analysis in order to obtain a desired result. Data analysis was carried out by reviewing information obtained from these sources and interpreting the results within the framework of Islamic economics.

## RESULT AND DISCUSSION

The research results show that the dynamics of the development of halal guarantees in Indonesia has gone through several stages. Originally, the Ulema Council of Indonesia (MUI) took over the halal guarantee through Decree No. 518 and No. 519 of 2001 of the Minister of Religion of the Republic of Indonesia After the issuance of the Halal Product Guarantee Law (UUJPH) . in 2014, the jurisdiction of the halal guarantee was transferred to the Halal Product Guarantee Supervisory Board (BPJPH).

The development of Halal guarantees in Indonesia has advanced significantly. In the Islamic economic framework, halal guarantees are very important to ensure the halal of products circulating in the market. The Indonesian government has issued various laws and regulations to ensure the halal of products circulating in the market. Synergy between the government, businesses and the community is needed to apply halal guarantees to products bought and sold. Thus, the government fulfilled its duty to provide halal guarantees to its citizens. Entrepreneurs can also expand their target market, increase competitiveness, increase production and sales revenue, and increase consumer confidence in the halalness of products. In addition, Muslim communities feel more comfortable buying and consuming halal-labeled products (Pelu 2009).

In recent years, BPJPH has become the most important halal guarantee center in Indonesia. "In managing JPH, BPJPH has the authority to: (a) formulate and determine JPH policies; (b) establish JPH norms, standards, procedures and criteria; (c) issue and cancel product halal certificates and halal labels; (d ) ) foreign products halal certification (f) organize training of halal auditors and (j) cooperate with domestic and foreign institutions Article 7: "In fulfilling the mandates specified in Article 6, BPJPH shall cooperate with the following: (a) ministries and /or; related institutions; (b) LPH; and (c) MUI." (Sup et al., 2020).

The following is the realization of the dynamics of halal guarantee development in Indonesia in the Islamic economic framework, namely 1) Halal guarantee regulations and practices are The analysis shows that Halal guarantee regulations in Indonesia still face various challenges Law No. 33 of 2014 Halal product guarantees still need to be improved, especially in relation to socialization and legal protection, the synergy between BPJPH and

Indonesian Ulema Research Institute (LPPOM MUI) must be strengthened. Based on the above description, the implementation of halal guarantee regulation in Indonesia starts with halal labeling and then with halal certification. Halal labeling and certification are two different things. Halal labeling is the addition of the halal logo to halal products, while halal certification is the identification of halal after several inspection steps to prove that the company's raw materials, production process and halal product guarantee system meet established standards (Faridah, 2019). 2) Industrial readiness, namely Indonesian industries show different willingness to comply with halal standards. Large industries are usually better prepared because they have sufficient resources to implement halal certification. However, small and medium-sized industries (SMEs) often face difficulties, especially due to the cost and complexity of the certification process. Therefore, government support is needed to help SMEs in the halal certification process. 3) Public awareness and understanding, namely the importance of halal products, is increasing, but the understanding of the halal process and certification still needs improvement. Informing consumers about the benefits and importance of halal products should continue to be done through various media channels, such as social media, seminars and public campaigns. 4) Islamic economic framework, namely, in the Islamic economic framework, the halal guarantee is not only related to consumption aspects, but also to production and distribution. Principles such as justice, sustainability and social welfare must underpin each step of the halal assurance process. Therefore, halal guarantees must be considered an integral part of sustainable and fair economic development.

## **CONCLUSIONS AND RECOMMENDATIONS**

The dynamics of the development of Halal guarantees in Indonesia show progress, but there are still many challenges ahead. Effective regulations, industry readiness and public understanding are the most important keys to the success of a halal guarantee system. In the Islamic economic framework, the halal guarantee must be seen as an effort to achieve sustainable prosperity and social justice. The qualitative approach of this study provides a deeper understanding of the various aspects that affect the halal guarantee in Indonesia.

The researcher's proposal is that the government should continue to improve the regulation related to halal guarantees, including specifying the roles and responsibilities of different institutions. For example, 1) Supporting SMEs, ie. supporting certification costs, providing training and technical guidance to SMEs to increase their willingness to comply with halal standards. 2) Information and awareness campaigns on the importance of Halal products must be strengthened to increase public understanding and awareness. 3)

Cooperation and synergy, ie. the need for stronger cooperation and synergy between government, industry and society to ensure halal.

### **ADVANCED RESEARCH**

For further research, it is hoped that a quantitative approach can be used: Future research can use a quantitative approach to measure the impact of halal guarantees on the local and national economy. This could involve surveys of consumers and halal industry players. by involving the economic impact with Contribution to Economic Growth: Measuring in more detail the contribution of the halal industry to national economic growth, including job creation and foreign investment. This is very necessary. Policy Recommendations: The government will develop policy recommendations that can support the growth of a more inclusive and sustainable halal industry.

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