The Importance of Halal Certificates in Halal Food Using the Digital Platform

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Abstract

The world's fast progress, particularly in the realm of technology, necessitates the adaptation of diverse sectors to current developments. The COVID-19 epidemic has had a minimal influence on communal activities as a result of the Indonesian government's strategy of imposing large-scale social restrictions. Restrictions have an influence not just on the major company sector, but also on the small and medium enterprise (MSME) sector. The COVID-19 epidemic has become a new issue for MSMEs in the midst of business innovation rivalry and the need to think of other solutions to continue selling, even if only from home. The fast evolution of digital technology is the outcome of efforts to fulfill human life's requirements. The basic essentials of existence are food. According to Article 29 of the Republic of Indonesia's 1945 Constitution, "the State guarantees every citizen to embrace their respective religions and to worship according to their religion and beliefs." As a result, the state is obligated to give assurances and safeguards for the halalness of the items ingested. The Halal Product Assurance Agency (BPJPH) of the Ministry of Religion of the Republic of Indonesia provides product halal assurance by offering free halal certification (self-declaration) services. According to the outcomes of the conversation, the government has established a strategy to increase halal certification through the halal self-declaration program. The initiative is still in its early stages and requires extensive socialization across all divisions of industry, particularly among those who utilize digital platforms.

Introduction

The world's fast progress, particularly in the realm of technology, necessitates the adaptation of diverse sectors to current developments. When the COVID-19 outbreak struck several countries throughout the world in early 2020, this tide of change became increasingly apparent. The epidemic hit the global economy hard, particularly Indonesia. The economic slowdown was caused by constraints in community activities as well as the Indonesian government's strategy of imposing large-scale social restrictions. As a result, numerous businesses have laid off workers and temporarily ceased operations.

Restrictions have an influence not just on the major company sector, but also on the small and medium enterprise (MSME) sector. According to statistics, 82.9% of MSMEs are in poor condition, 5.9% are in fair condition, and the remaining 11.2% are unaffected.
The COVID-19 epidemic has become a new issue for MSMEs in the midst of business innovation rivalry and the need to think of other solutions to continue selling, even if only from home. SMEs perform a variety of activities to keep their operations running, one of which may be observed in the manufacturing process statistics (Katadata, 2022):

Table 1. MSME Production Process during the Pandemic

According to the table, business actors prefer to cut their output of goods and services by 65.5%, while just 2.9% increase production. This is similar to human resources; corporate actors want to minimize the number of workers and work hours rather than add people and their job. The most noticeable variation is the kind of sales channel or marketing of products and services, which has grown by 29.1%. The addition is a clear manifestation of UMKM efforts, namely selling their products not only in physical locations but also on the internet.

The advancement of digital technology today necessitates that market participants, particularly purchasers, be more discriminating in their product selection. Furthermore, we are transitioning from a consumer-centric to a value-driven period. There are five main values in the application of Islamic business ethics, which are as follows: unity, balance, free choice, responsibility, truth, virtue, and honesty (Darmawati, 2013). These principles have no purpose other than to benefit mankind. One of the most significant aspects of Islam that cannot be overlooked is the halalness of a product, both utilized and consumed by humans (food and drink).

The halalness of a product is well received in the worldwide market since the halal concept itself represents the quality and safety of a food product. The growing number of Muslims throughout the world has encouraged the expansion of the halal idea. According to Global Religious Futures, the world's Muslim population will expand by 15.84% in the next ten years, or roughly 2.21 million individuals (Pew Forum On Religion & Public Life, 2011). This evidence supports the assertion that, in the future, the halal food sector will dominate the world market, unaffected by minority or majority environmental circumstances.
According to Aziz and Chok (2013) in Thalib (2016), the halal concept's growth is mirrored in a considerable expansion in the halal food industry in non-Muslim nations such as Europe, America, and Asia Pacific. Thailand is a Muslim minority nation that can dominate the halal food industry and is the fifth largest halal food producer (Nawawi et al., 2019).

The fast evolution of digital technology is the outcome of efforts to fulfill human life's requirements. The fulfillment of these requirements provides the foundation for humanity to live. Maslow’s hierarchy of requirements identifies five levels of basic human wants: bodily needs, security needs, ownership needs, esteem needs, and self-actualization needs. Meanwhile, Al-Ghazali categorizes these essential necessities as daruriyyah (primary), hajiyyah (secondary), and tahsiniyah (tertiary) (Muazaroh et al., 2019). Food is a basic human requirement that must be supplied. According to Article 29 of the Republic of Indonesian Constitution of 1945, "the State guarantees each resident to embrace their respective religions and to worship according to their religion and beliefs." In this situation, the customers are Muslims (Syafrida, 2016).

As a result, the Indonesian government arranges product halal assurance through the Halal Product Assurance Agency (BPJPH) of the Ministry of Religion of the Republic of Indonesia by offering free halal certification (self-declaration) services. The program is a type of statistical data implementation for MUI halal-certified items, as long as data for MUI halal-certified products:

![Figure 1 statistics for MUI Halal Certified Products.](image)

According to a recent study on halal certification by researchers, Syafitri et al. (2022), manufacturers' knowledge of halal product certification was originally relatively low, and consumers believed that the halal label was unimportant. This might be solved by hosting a halal life socialization (Syafitri et al., 2022). However, the survey did not go into great depth about the importance of halal food certification on internet platforms. According to Yudha et al. (2021), one source that must be explored for development is the MSME-based halal industry (Kafabih, 2021).

Given the fast expansion of digital technology and the evolution of Indonesian halal sector trends, halal certification guarantees should be extended further, namely to food
enterprises on digital platforms. There has been no study that analyses the significance of halal certification on digital platforms. So, the researcher is curious about "The Importance of Halal Food Certification on Digital Platforms." The purpose of this study is to determine how far the Indonesian government has progressed in offering halal food certification via digital platforms.

Consumption in Dutch refers to consumtio, or an activity that evaluates the utility of a product or service (Kartini, 2019). Consumption is described as a type of behavior or action that uses resources to satisfy life's demands (Salwa, 2019). The fundamental distinction between conventional economic theory and Islamic economics in terms of consumption is found in the standards or regulations provided. Scarcity of resources is a restriction of consumption implementation in traditional economic theory (Salwa, 2019). Whereas in Islamic teachings, consumption is dependent on two things: eating halal food (thayib) in line with QS. Al-Baqarah : 168

Meaning: "Hey man! Eat from what is lawful and good on the earth and do not follow Satan's footsteps. He is truly your sworn enemy."

Meanwhile, Allah's prohibition is related to excessive consumption (Israf) according to the QS. Al-A'raf verse 31:

Meaning: "O children and grandchildren of Adam! Wear your good clothes at every (entering) mosque, eat and drink, but don't overdo it. Indeed, Allah does not like people who are extravagant."

Consumption is one of the economic activities in Islam that contributes to the accomplishment of social welfare (Adiwarman, 2017). Al-Ghazali separates the attainment of social welfare into five things that must be maintained: religion (al-dien), life or soul (nafs), family or descendants (nasl), money or riches (maal), and intelligence (aql). Al-Ghazali went on to say that the five things that must be kept are for the sake of the world and the afterlife (maslahat al-din wa al dunya). Individual or social requirements are prioritized as follows: necessities (emergency), pleasure or comfort (hajaat), and luxury (tahsinat) (Adiwarman, 2017). This sequence of requirements exists solely to allow humanity to strike a balance between the demands of the now and the needs of the future.

According to Islam, the most significant aspect of a consumer activity is the attainment of rewards and blessings (Maslahah). To acquire maslahah, a Muslim is required to follow the regulations as provided, such as eating halal food and not overdoing it. Allah SWT defines the notion of halal in QS. Al-Baqarah verse 173:

Meaning: "He hath forbidden you only carrion, and blood, and swineflesh, and which hath been immolated to (the name of) any other than Allah. But he who is driven by
necessity, neither craving nor transgressing, it is no sin for him. Lo! Allah is Forgiving, Merciful.”

The term ethics is derived from the Greek ethikos. Ethics is a societal value, standard, and moral (Harahap, 2011). As a science, ethics may also be defined as moral reasoning that investigates what should or should not be done. Ethics is concerned with values, ethical methods of living, good norms of life, and all practices that are embraced and passed down from one generation to the next. This habit is then exposed in structured behavior, which repeats itself as a habit (Mardatillah, 2013).

Business ethics in Islam is defined as a set of moral principles that distinguish what is right and what is wrong in a business (Darmawati, 2013). The word of God related to Business Ethics QS. An Nisa’ verse 29:

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\text{كُلُوْٰٓا اَمْوَالَكُمْ بَيْنَكُمْ بِال بَاطِلِ اِلَّْٰٓ اَنْ تَكُوْنَ تِجَارَةا عَنْ يٰٰٓاَيُّهَا الَّذِيْنَ اٰمَنُوْا لََ تَأ}
\]

\[
\text{تَأَتَّرَاضٍ مِّنْكُمْ ِۗ وَلََ تَقْتُلُوٰٓا اَنْفُسَكُمْ ِۗ اِنَّ اللّٰهَ كَانَ بِكُمْ رَحِيْمًا}
\]

Meaning: "O ye who believe! Squander not your wealth among yourselves in vanity, except it be a trade by mutual consent, and kill not one another. Lo! Allah is ever Merciful unto you."

The following are examples of often used corporate ethics: Maintain your adherence to aqidah and Islamic law. The economics is not the primary aim; it must be balanced with other factors at all times. Make your firm a mukallaf institution. According to the Sharia philosophy, make business operations part of religion. Usury in any form is prohibited, including doubtful or unclear transactions, speculation, and gambling (gharar, maysir); and it is always recommended that the poor’s living conditions be raised (Harahap, 2011).

Mention the general objectives of Islamic business ethics as follows: Develop an Islamic code of ethics to regulate, develop, and apply business methods within the scope of religious teachings; Code of ethics as a legal basis for determining the responsibilities of business actors; A code of ethics is a legal document that can solve problems that occur. Code of Ethics as a Form of Contribution to Solving Various Problems in Business (Darmawati, 2013)

Meanwhile, general ethics for Muslim entrepreneurs are as follows: Honest, true, and trustworthy; Keep your words; don’t lie and hurt. Loving Allah more than loving the business you own Try to cooperate with fellow Muslims first before with non-Muslims. Simple and humble in life; Always consult in every business or participatory No cheating in any form; Not allowed to bribe or accept bribes; and treat everyone fairly (Harahap, 2011).

Research Methods

In this study, the author employs descriptive research with a qualitative method to describe what is going on in greater depth. The contextual richness of qualitative research
allows a researcher to draw numerous lessons from ordinary life, from all sorts of individuals, different places, and varied scenarios. As a result, qualitative research allows scholars to gain a deeper understanding of certain events and objects (Yin, 2015). Yin emphasizes that qualitative approaches might be useful for establishing linkages between linked persons or groups as part of study.

The researcher hopes to solve the issue formulation "How is the urgency of halal certificates on halal food on digital platforms" in this qualitative investigation. Because the purpose of research requires researchers to examine the extent to which halal certification has been used in Indonesia on digital platforms, it is more suited to explore using qualitative methodologies. Researchers used the literature study technique because there is currently a shortage of literature on the implementation of halal food certification on digital platforms in Indonesia (Yin, 2015).

Previous research examined the Malaysian halal food control system in terms of law, control management, inspection and law enforcement, labs, and IECT in order to achieve an efficient national food control system (Ahmad et al., 2018). However, there was no mention of halal certifications in relation to digital platforms in this study. So, in order to finish the halal food study, the researchers performed halal food research on digital platforms in Indonesia. Researchers gathered information for this study from a variety of sources, including journals, books, and official websites.

The intended outcome of this research is to explain and reinforce the value of halal certification in food for market participants (producers, sellers, and consumers) who utilize digital platforms. The purpose of halal certification is to create a favourable business environment in line with Islamic law, beginning with ensuring the halalness of a halal food product on a digital platform.

Results and discussion

The Urgency of Halal Food Certification in Indonesia

On November 10, 1976, Indonesia began marking food as Halal. At the time, the Ministry of Health of the Republic of Indonesia mandated that all food items containing pig and its derivatives, including food and drinks, provide a clear identify. This is specified in the Minister of Health’s Decree on Food and Beverage Products.

Figure 1. Warning Signs for Pork Products
(Source: Indonesian Minister of Health)
In 1985, in accordance with the Joint Decree of the Ministers of Health and Religion No. 42/Men.Kes/SKB/VIII/198, the government, in collaboration with the Ministers of Health and Religion, changed the label from "Contains Pork" to "Halal" (Faridah, 2019). Three years after the label was implemented, there was uproar in the community when a researcher from Brawijaya University Malang discovered samples of pork-containing products and beverages. According to Faridah (2019), the uproar eventually encourages individuals to be concerned and choosy when purchasing a product (Faridah, 2019). Several food and beverage companies, including PT. Food Specialties Indonesia, PT. Tri Fabig, and Siong Hoe Biscuits, saw a decrease in sales.

The existence of this event raised public and government awareness of the importance of halal certifications in Indonesia. Halal cuisine is a basic need for the majority of Indonesia's Muslim population. Based on Indonesian Ulema Council (MUI) Decree Number Kep./18/MUI/I/1989, an institution involved in the research of food, medicine, and cosmetics (LPPOM) was founded in 1989, or four years after the occurrence. In 1994, five years after the Institute for Food, Drug, and Cosmetic Research (LPPOM), a fresh halal certificate was granted in its implementation (Faridah, 2019).

Halal labeling on food or beverage goods offer more than just a guarantee that the meal is devoid of haram elements. Furthermore, Islam gives rational reasoning for what is and is not acceptable. Similarly to the ban against eating pork in QS. An-Nahl verse 115:

َّ فَمَنِ اضْطُرَّ إِنَّمَا حَرَّمَ عَلَيْكُمُ ال مَيْتَةَ وَالدَّمَ وَلَحْمَ ال خِنِِِْيْرِ وَمَآ اُهِلَّ لِغَن ِْ اللّٰهِ بِهٖ غَن َْ بَاغٍ وَّلََ عَادٍ فَاِنَّ اللّٰهَ غَفُوْرن رَّحِيْمن

Meaning: "He hath forbidden for you only carrion and blood and swineflesh and that which hath been immolated in the name of any other than Allah; but he who is driven thereto, neither craving nor transgressing, lo! then Allah is Forgiving, Merciful."

According to this paragraph, Dharmawan et al (1992) found 7 pigs infected with C. cellulosae in a study of 5630 pigs, which might be a cause of taeniasis (Dharmawan, 1992). Taeniasis is a parasite illness caused by worms of the genus Taenia (Estuningsih, 2009). According to Swacita et al. (2017), the high prevalence of synercosis in pigs in the region was followed by the occurrence of taeniasis (Swacita et al, 2017). This study proves that Allah SWT loves his people by prohibiting consumption that does not benefit his followers.

Consumption in Islam must produce benefit rather than only enjoyment or usefulness (Anisah et al, 2021). The following are the ethics of Islamic consumption: Tawhid, Tawhid is the primary basis that a Muslim must possess. A Muslim must believe that everything in existence is not created in vain but has a purpose. Allah created people in order for them to adore Him. Allah established mankind on earth as caliphs or leaders, with the obligation of a caliph to protect the environment from many sorts of devastation; Balance, Islam teaches not to spend or squander riches. The type of balance that Allah prescribes in the Qur'an shows the attitude of fairness in consumption; Responsibility, Islam teaches us to constantly be accountable for what its people have done. For example, after eating food, throwing the wrapper into the trash is one small example of the attitude
of responsibility that a Muslim must have; Free Will, Freedom in this case does not mean that humans are free to do anything without limits, the freedom that exists in Islam is a freedom that still follows the rules of sharia; and Prohibition of being in vain, Islam forbids humans from being preoccupied with worldly affairs, living a luxurious lifestyle, and indulging in lust. (Zaimsyah and colleagues, 2019)

**The Importance of Halal Certification on Digital Platforms**

The Covid-19 virus, which appeared in early 2020, compelled the government to enact a stringent policy known as "Lockdown." The government did not immediately implement this policy since it was still examining several factors, including the economic flow once the policy was implemented. Of response to a spike of Covid-19 instances in several locations, the authorities declared a "Lockdown" in mid-March 2020. This policy has lowered the rate of economic growth (Zebua et al, 2021). As an example of the Covid-19 virus's impact, Garut Regency's dodol, leather, and tourism culinary sectors had a considerable fall in income compared to before the infection (Mumtaz, 2021). Because of the occurrence of these events, market players (Sellers or Buyers) must eventually adjust.

According to statistics, 88.1% of internet users in Indonesia used e-commerce services as of April 2021 (katadata, 2022). Based on this statistics, one method or another for business people to survive in challenging situations like now is to use current digital platforms. Some individuals believe this was forced since they were used to selling directly but had no other means to survive in this difficult environment other than to sell online.

Of course, dealers that sell online just need to register their items for certain e-commerce platforms. As an example:

![Figure 2: The Buying and Selling Process in E-Commerce](source: Researcher)

This flow shows that traders can directly offer their items in e-commerce without the requirement for anybody to acquire a business establishment authorization. Things like these, particularly those involving food goods, require regulatory scrutiny. The following are the four primary aspects driving the company's halal reputation (Tieman, 2019):

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Companies serving the Muslim market must get protection and a license to operate within the framework (Tieman, 2019). This can be an interesting input for the major business actors involved in digital platforms to learn more about the significance of a halal certificate for every product given to customers (Tieman, 2019).

According to a research by Jaiyeoba, there are various elements that impact consumer purchasing decisions on halal items in Nigeria, namely the halal certificate sign, which is the most significant in consumer purchasing decisions in Nigeria (Jaiyeoba, 2019). According to Jaiyeoba's research (2019), the certification authority in this situation if adopted in Indonesia is LPPOM-MUI, and manufacturers should focus more on halal certification marks, halal brand quality, and notably halal awareness (Jaiyeoba, 2019). Similarly to the situation of its people in Indonesia, Ahmadova's research describing Azerbaijan as a country where the majority of the population embraces Islam states that the significant role of subjective norms, the level of religiosity, and the existence of halal certificates supports consumer awareness in determining attitudes toward choosing halal products (Ahmadova et al., 2020).

The Indonesian government, through Halal Product Guarantee Agency (BPJPH), commenced the digitization of halal certification on October 17, 2019, with the objective of the first phase of the duty to be certified halal for food and beverage goods (kemenag, 2022). BPJPH will commence the second phase of the duty for halal certification for cosmetic items, medicines, biological products, chemicals, genetic engineering, logistics services, storage, distribution, sales, and product presentation two years later, in October 2021. According to the BPJPH Halal Information System, 31,529 business actors registered for halal certification on November 5, 2021, with the bulk of them being 19,209 micro-enterprises (60.92%). Small business actors accounted for 5,099 (or 16.17% of the total). Thus, 76% are MSEs (micro and small firms). The most recent policy of presenting halal certification states that it is stated in the Decree of the Head of BPJPH No. 33 of 2022.
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concerning Technical Assistance for the Process of Halal Products in Determining the Obligation to Be Certified Halal for Micro and Small Business Actors Based on Business Actor Statements.

The following is a list of free halal certification criteria for self-declaring small company actors: The product is neither dangerous nor contains substances that have been certified as halal. The manufacturing method is assured to be halal and straightforward. Have yearly sales (turnover) of little more than Rp 500 million, as proven by an independent statement, and a company capital of no more than Rp 2 billion rupiah. Obtain a National Identification Number (NIB); Maintain a distinct site, place, and equipment for processing halal goods (PPH) from the locations, places, and tools for processing non-halal items. Have or do not have a distribution permission (PIRT/MD/UMOT/UKOT), a Sanitation Hygiene Eligibility Certificate (SLHS) for food or beverage items with a shelf life of less than seven days, or other industrial permits for products manufactured by the service or linked agencies; Have no more than one (one) outlet or production facility; Actively produced one year previous to halal certification application; The things produced (rather than services or enterprises such as restaurants, canteens, caterers, and shops/houses/food stalls) have been proven to be halal. Proven by a halal certificate, or included in the list of materials according to the Decree of the Minister of Religion Number 1360 of 2021 concerning Materials that are Exempted from the Obligation to be Certified Halal; Do not use hazardous materials; Halal has been verified by the companion of the halal product process; Types of products or product groups that are certified as halal do not contain elements of slaughtered animals, unless they come from producers or slaughterhouses or poultry slaughterhouses that are already halal-certified; Using production equipment with simple technology or manually and or semi-automatically (home-based business is not a factory business); The preservation process of the resulting product does not use radiation techniques, genetic engineering, the use of ozone (ozonization), and a combination of several preservation methods (hurdle technology); and Complete the application document for halal certification with the mechanism for the statement of business actors online through SIHALAL application (kemenag, 2022).

Conclusion

A Muslim will always behave in any economic action by using Islamic law as a filter and metric to determine if an act is allowed or not. In Islam, the ideal economic ethics is socioeconomic activity that is in agreement with the requirements of revelation as well as the fitrah and straight human mentality. One of the first steps in creating a business atmosphere in line with Islamic law is to ensure the halalness of a halal food product through the use of a halal certificate. Food is a basic requirement that must be satisfied. In Indonesia, this requirement is consistent with Law No. 29 of 1945, which declares that "the State guarantees each resident to embrace their respective religions and to worship
according to their religion and beliefs." eaten by the Indonesian populace, the bulk of whom are Muslim.

The Covid-19 virus has resulted in a new buying and selling culture in society via internet platforms. The government, particularly policymakers, has to pay greater attention to new modes of buying and selling today when developing rules linked to halal certification. So far, the government has enacted a policy to boost halal certification through the halal self-declaration program. The initiative is still in its early stages and requires extensive socialization in all areas of business, particularly among those who utilize digital media. There are some suggestions that can be made to help businesses that use digital platforms achieve their Self Declaration goals: conduct socialization to e-commerce related to Halal Self Declaration and SIHALAL application, and collaborate with e-commerce related to guaranteeing halal food certification. E-commerce can include a SIHALAL menu and ask sellers to declare the halalness of their items; if the product meets the halal criteria, e-commerce can demand merchants to fill out a SIHALAL application. As a result, BPJPH just needs to complete a review and validation, allowing BPJPH to be more effective and efficient. The researcher thinks that the study's shortcomings might be utilized to inform future research.

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