The Role of Business Actors in Ensuring Halal Products

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Abstract

The number of certified halal products from business actors in the area of the South Pontianak Sub-district tends to be low. This study aimed to determine the role of business actors in implementing halal product guarantees in the South Pontianak city area with the title of the role of business actors in guaranteeing halal products in the South Pontianak sub-District area. This type of research is a qualitative approach using a juridical sociological system. The population in this study consists of business actors in the South Pontianak Sub-district area. Data collection techniques involved observation, interviews, and documentation techniques. The results of this study indicate that business actors in ensuring halal products in the South Pontianak sub-district area have not been optimally implemented as they experienced some obstacles; firstly, business actors are unaware of the obligation to register their products; secondly, the registration process for Halal certification is difficult and costly. The efforts made by business actors in ensuring halal products are by joining the MSME group, which assists in product registration, obtaining halal certificates, and receiving guidance and socialization from the government.

Keywords: Halal Products; Role of Business Actors

1. INTRODUCTION
In order to ensure that every adherent of a religion worships and carries out his religious teachings, the state is obliged to provide protection and guarantees, including in terms of the halalness of food products consumed and used by the public.¹ The State provides certainty through the issuance of Law Number 8 of 1999 concerning Consumer Protection, Law Number 18 of 2012 concerning Food. Law Number 33 of 2014 concerning guarantees for halal products to guarantee adherents of Islam to worship and practice their religion and provide protection and the halalness guarantee of food products circulating and traded to the public as consumers.²

The government’s policy in terms of providing such protection, as referred to in the consumer protection act, through the obligation regarding the inclusion of a halal label on food that is produced and distributed in the territory of Indonesia. Referring to the provisions of Article 4 letters a and c of Law Number 8 of 1999, which stated that consumers have the right to correct, clear, and receive honest information about the conditions and guarantees of a product. Besides, consumers also have the right to choose. It is necessary to require a certificate which contains space and opportunities for groups of people who do not consume the prohibited goods/haram. The form is an obligation for processed food producers to provide correct information to consumers, whether their processed food products contain haram substances or not.³

Meanwhile, Law Number 18 of 2012 concerning Food states that Food Organization is carried out to meet basic human needs that provide benefits in a fair, equitable, and sustainable manner based on Food Sovereignty, Food Independence, and Food Security. Thus, arrangements regarding fair and equitable benefits are intended to provide equal rights for all citizens, especially the certainty of security and protection of halal food products for Muslims.

Furthermore, arrangements regarding the protection of halal food products that are specific characteristics, are regulated through Law Number 33 of 2014 concerning Product Assurance, hereinafter abbreviated as UUJPH, and Government Regulation Number 31 of 2019 concerning Implementing Regulations of UUJPH, Issuance of statutory regulations relating to halal products

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is within the framework of the efforts made by the State to provide legal protection and legal certainty guaranteeing halal products for Muslim consumers. Assurance regarding halal products should be carried out per the principles of protection, fairness, legal certainty, accountability, and transparency, effectiveness and efficiency, and professionalism. Therefore, the guarantee of the implementation of halal products aims to provide convenience, security, safety, and certainty of the halal products availability for the community in consuming and using the products, as well as increasing added value for business actors to produce and sell halal products.

This goal is important, considering that scientific and technological advances in the fields of food, medicine and cosmetics are developing very rapidly. This significantly affects the shift in the processing and utilization of raw materials for food, beverages, cosmetics, medicines, and other products from which were originally simple and natural to process and utilize raw materials resulting from scientific engineering. Processing of products by utilizing scientific and technological advances allows a mixture of halal and *haram* status, both intentional and unintentional. Therefore, to determine the halalness and purity of a product, a special study is required with multidisciplinary knowledge, such as knowledge in the fields of food, chemistry, biochemistry, industrial engineering, biology, pharmacy, and an understanding of *shari’a*. For this reason, the issuance of Law Number 33 of 2014 concerning guarantees for halal products provides roles for other parties, such as the government through the state revenue and expenditure budget, regional governments through the regional revenue and expenditure budget, companies, social institutions, religious institutions, associations, and communities to facilitate the cost of halal certification for micro and small business actors.

In today's era of business competition, business actors, of course are competing to pursue business targets in selling their commodity products with the high level of community needs, which are increasing day by day. No exception in terms of food and beverage products. This is illustrated by the increasing proliferation of food and beverage outlets selling various kinds of food and beverage products spread across Pontianak City. The increasing circulation of food and beverage products, both local and imported in communities spread across the Pontianak City area, does not necessarily provide a sense of security, comfort, or tranquility and is suitable for consumption by Muslim consumers because Islamic law obliges Muslims to consume halal food and drinks in accordance with Islamic law.

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5 ("See Explanation of Law of the Republic of Indonesia Number 33 of 2014 Concerning Halal Guarantee Products," nd)
Muslims are very careful in choosing and buying food and other products that will be bought or consumed guaranteed to be halal. For this reason, besides the government, business actors are also required that food and beverage products traded to the public are truly guaranteed to be halal with guaranteed halal markings/official halal information recognized by the government. Starting from this background of the research, Pontianak City, as one of the areas with a predominantly muslim population, based on the records of the Directorate General of Population and Civil Registration Services (Dukcapil) Pontianak City, noted that the total population of Pontianak City is 656,59 thousand people in 2020. Of these amount, 511,431 people or 77.9% of the population in Pontianak City embraced Islam.

The study results show that the Halal Product Assurance Organizing Agency carries out the legitimacy process of implementing Law Number 33 of 2014 with the one-door principle to make it easier for business actors to issue halal certificates. In contrast, other research states that halal products have been declared halal by Islamic law. So that the halalness of a product is a mandatory requirement for every consumer, especially muslim consumers, halal certification and marking need special attention from the government, especially in food products that are a primary need and consumed massively. In contrast, other studies state that the halal industry needs to be made as quickly as possible so that the goals and development of the halal industry in Indonesia are more focused.

The difference between this research and previous research is that this study was to determine the role of business actors in implementing halal product guarantees. The advantages of this research are compared to previous studies, namely in this study, by conducting an in-depth analysis of business actors. This study aimed to determine the role of business actors in implementing halal product guarantees in the South Pontianak city area with the title of the role of business actors in guaranteeing halal products in the South Pontianak sub-District area.

2. METHODS

This type of research is descriptive qualitative using a juridical sociological approach. This refers to the studying and processing data from field research with a normative starting point on legal aspects and supported by

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relevant documents related to the issues to be examined both in terms of existing regulations and matters technical issues that are still relevant to the issues to be discussed. The results of this study were obtained by in-depth interviews with informants as a form of data search and non-participant observation in the field which was then analyzed. The research was conducted in Pontianak Sub-district, Pontianak City, West Kalimantan Province. The data collection method used a purposive sampling method. Data collection tools involved interviews and document studies. Data analysis techniques then employed normative qualitative methods, namely discussing the data obtained based on legal norms, legal theories, and legal doctrines that are relevant to the subject matter.11

3. RESULTS AND DISCUSSION

3.1 The Role of business actors in ensuring halal products in the South Pontianak area

Products circulating in the community as stated in Article 4 UUJPH in conjunction with Article 2 Government Regulation Number 31 of 2019 concerning Implementing Regulations of UUJPH must be halal certified, while non-halal products are not required to have a halal certificate but must include into non-halal information. Article 4 UUJPH states, “Products that enter, distribute, and trade in the territory of Indonesia must be halal certified.”12 Then, in the provisions of Article 2 PP No 31 of 2019 also states, products that enter, distribute, and are traded in the territory of Indonesia must be halal certified. Prohibited goods do not have to be halal-certified, but business actors are obliged to provide non-halal information and include it on the product.13

Furthermore, regarding the role of business actors in implementing halal product guarantees, those regulated in Articles 53-55 of the UUJPH are emphasized again in Articles 145-150 of Minister of Religion Regulation Number 26 of 2019 concerning Implementation of Halal Product Guarantees. Article 145 states, the public can participate in the implementation of halal product guarantees in the form of socializing halal product guarantees and supervising halal products and products circulating in the community. Furthermore, Article 146 states that the form of socialization that the community can carry out can be in the form of conducting seminars, workshops, discussions, lectures, exhibitions, and mentoring. The community role can be carried out directly through print and electronic media.14

The granting of halal certification to food products is basically an important and mandatory matter that business actors must consider. However, not all

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13 (Ministry of Religion RI 2019)
14 (“Articles 53-55 of Law Number 33 of 2014 Concerning Guarantees for Halal Products and Regulation of the Minister of Religion Number 26 of 2019 Concerning Implementation of Guarantees for Halal Products,” nd)
business actors realize about halal labeling. Therefore, they need clarification about how to arrange halal certification for their products. Regulations are made with the aim of legal protection for the community. Law Number. 33 of 2014 concerning Halal Product Guarantee is expected to provide legal protection to the community, eliminating any concerns and reducing societal unrest.

Therefore, as a representative of the people's aspiration, the government provides peace to the community. As a result, the government issues a law, namely Law Number 33 of 2014 concerning guarantee of halal products. This law was issued in order to provide rights to the community as consumers, as in realizing healthy business activities between consumers and business actors, a set of laws and regulations, such as Law Number 8 of 1999 concerning Consumer Protection, also regulates consumer rights, as follows right to convenience, security, and safety in consuming goods and/or services., right to choose goods and/or services and obtain such goods and/or services in accordance with the exchange rate and conditions and guarantees promised, right to correct, clear, and honest information regarding the conditions and guarantees of goods and/or services, right to be heard of opinions and complaints on the goods and/or services used, right to receive advocacy, protection, and proper consumer protection dispute resolution efforts, right to receive consumer guidance and education, right to be treated or served properly and honestly and not discriminatory, right to obtain compensation and/or replacement, if the goods and/or services received are not in accordance with the agreement or not as it should be and rights regulated in the provisions of other laws and regulations.15

Through the issuance of this law, business actors are expected to play a role in improving their services to ensure that consumers do not feel disadvantaged. What is important in this matter is the attitude of producers in providing consumer rights that should be obtained. Producers must register their production as explained in UU JPH to obtain halal certification, such as applications for halal certificates are submitted by business actors in writing to BPJPH. Further provisions regarding the procedure for submitting an application for a Halal Certificate are regulated in a Ministerial Regulation.16

The inclusion of labels on packages is an obligation for every business actor who produces or trades food products in Indonesia. The purpose of including the label is one of the manifestations of fulfilling consumer rights to obtain correct, clear, and honest information about the condition of an item and the consumers can decide whether to buy and consume the product.17

15 ("Article 4 of Law Number 8 of 1999 Concerning Consumer Protection" 1999)
16 ("Article 4 of Law Number 8 of 1999 Concerning Consumer Protection" 1999)
According to the results of interviews with Cassava Chip and Kueh Piah business owners, they did not know that there was an obligation to register their products and needed help understanding how to obtain halal certification. Consumers as connoisseurs of a product also need to pay more attention to and demand a halal label on a product's packaging. In addition, the need for more socialization from the agency administering the guarantee of halal products has resulted in the non-implementation of the guarantee.

3.2 Factors and constraints faced by business actors in the South Pontianak Sub-district area in optimizing halal product services

Undeniably, there are bound to be obstacles in every activity, both small and large scale constraints. From the explanation gathered by the researcher from the owners of Cassava Chip and Piah Cake businesses, it reveals that business actors are unaware of the obligation to register their products as stated in the Halal Product Guarantee Law in Article 4, which requires all products circulating in Indonesia to be halal certified. They also expressed concerns about the difficulty and high cost of the registration process.

The problem of the above constraints is very urgent to be concerned in optimizing halal product services by business actors. Therefore, of course, this issue should seriously concern business actors in optimizing halal product services. Efforts made by business actors in optimizing halal product services as a result of researcher interviews with informants are by joining the MSME group. Therefore, business actors can be assisted in registering products and obtaining halal certificates as well as guiding and outreach by the government.

The research results show that in 2017, Indonesia was ranked 11th; in 2018, Indonesia fixed its position to 10th place; in 2019, Indonesia improved its ranking to position 4. Indonesia is potentially a center of the halal industry in the world.18 Undeniably, there are bound to be obstacles in every activity, both small and large scale constraints. From the explanation gathered by the researcher from the owners of Cassava Chip and Piah Cake businesses, it reveals that business actors are unaware of the obligation to register their products as stated in the halal product Guarantee Law in Article 4, which requires all products circulating in Indonesia to be halal certified.19 They also expressed concerns about the difficulty and high cost of the registration process.20

The study results show that many UMK products do not have halal certification because of these problems and UMK legality issues. This is in line with

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20 Djunaidi et al., “Perception and Consumer Behavior of Halal Product Toward Purchase Decision in Indonesia.”
with the research conducted because the existence of legality can facilitate the licensing of halal certification.\textsuperscript{21} This refers to other studies which state that halal products are needed to improve the marketing distribution process worldwide.\textsuperscript{22}

The problem of the above constraints is very urgent to be concerned in optimizing halal product services by business actors. Therefore, of course, this issue should seriously concern business actors in optimizing halal product services. Efforts made by business actors in optimizing halal product services as a result of researcher interviews with informants are by joining the MSME group. Therefore, business actors can be assisted in registering products and obtaining halal certificates as well as guiding and outreach by the government.

4. CONCLUSION

The role of business actors in ensuring halal products in the South Pontianak area currently needs to be more effective in accordance with the regulation Law Number 33 of 2014 concerning Halal Product Guarantee (JPH). The obstacles faced by business actors in optimizing halal product services in the South Pontianak area include three main factors. Firstly, business actors are unaware of the obligation to register their products as stated in the Halal Product Guarantee Act in Article 4, which requires all products circulating in Indonesia must be halal certified. Secondly, business actors find the registration process difficult and costly. Efforts made by business actors in optimizing halal product services in the South Pontianak area by joining the SMES group, which assists in product registration, obtaining Halal certification, and receiving guidance and socialization from the government.

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