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LEGAL EFFECTIVENESS OF HALAL CERTIFICATION FOR MSMES IN BANDAR LAMPUNG CITY

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Abstract: Law Number 33 of 2014 concerning Halal Product Assurance requires halal certification for products circulating in Indonesia. However, in Bandar Lampung City, many micro and small business actors have not been halal certified. This study aims to analyze the implementation of halal certification by these business actors as well as its supporting and inhibiting factors. This type of research is an empirical normative law with a descriptive approach, using interviews, literature studies, and questionnaires for data collection. The results show that halal certification in Bandar Lampung City is not optimal, with the main obstacles in the form of lack of understanding, high costs, lack of socialization, and weak law enforcement. Instead, the success of certification is supported by clear regulations, awareness of the Islamic community, product testing laboratories, and a free consulting and certification program (SEHATI).

Keywords: Business Actors; Halal Certification; Halal

I. INTRODUCTION

The public's need for halal-labeled products and services or halal certification is increasing along with increasing public awareness of the quality, safety and health of the products to be consumed. According to the Central Statistics Agency (BPS), the population in Indonesia in 2023 is 278,696.2 million people spread across various regions in Indonesia. The Ministry of Home Affairs noted that the Indonesian population who embraced Islam until the end of 2023 was 244.41 million people, of which this number is equivalent to 87.1% of the population in the country.

Therefore, halal certification is very important and mandatory for business actors engaged in the food industry, especially those in the city of Bandar Lampung where the majority of the population is Muslim. Based on data from the Central Statistics Agency of Lampung Province (BPS), the number of people in Bandar Lampung City in 2023 is 1,202.07 thousand people and as many as 93.6% of the population data above are Muslims.¹

The state of Indonesia seen from the data above is a country where most of the population is Muslim and Indonesia is a country that guarantees its population in terms of choosing religion or belief. This is contained in Article 29 paragraph 2 of the 1945 Constitution which states that: "The state guarantees the freedom of each resident to embrace their respective religion and worship according to their religion and belief". The meaning of this Article is that the state guarantees and gives freedom to each resident or citizen to choose their beliefs or religion in terms of worship, In this case, the state will guarantee, protect, nurture and direct its population in accordance with the religion or belief adhered to.²

In Islam, Islam teaches about cleanliness and goodness in all aspects, for example in terms of goods and their use to the aspect of food. Islam commands its people to eat clean, good and holy food. Therefore, Muslims need to make a selection in choosing the food to be consumed. A Muslim is not allowed to consume food or beverages whose halal status is not yet clearly known and the state is obliged to provide the necessary halal guarantees.³ Indonesia has issued Law Number 33 of 2014 concerning Halal Product Assurance (UUJPH) to protect consumers related to halal products. This law regulates the obligation of halal certification for business actors, which is organized by the Halal Product Assurance Agency (BPJPH) of the Ministry of Religious Affairs, with support from the Halal Inspection Agency (LPH) to conduct halal product inspections. The presence of this regulation provides protection for consumers as stated in the JPH Law (Halal Product Guarantee) and this regulation also guarantees legal certainty, that the relationship between business actors and consumers is equally tied and based on legal rules, namely regarding halal labeling

¹ Badan Pusat Statistik. 2024. *Jumlah Penduduk menurut Kabupaten/Kota (Ribuan Jiwa) 2022-2024*,<u>https://lampung.bps.go.id/indicator/12/801/1/jumlah-penduduk-menurut-kabupaten-kota.html</u>. Accesed on 2 July 2024, 08.32 WIB.

² Zulham, 2018. *Peran Negara Dalam Perlindungan Konsumen Muslim Terhadap Produk Halal.* Jakarta: Kencana, p. 8.

³ Siti Ena Aisyah Simbolon, Nurul Wahida Hidayat, 2021. *Prosedur dan Problematika Sertifikasi Halal di Indonesia*. Masyif: Jurnal Ekonomi, Bisnis dan Manajemen 2, no. 1, p. 119.

in the product section.⁴ Most business actors who are medium and large in scale will take care of halal product assurance systematically, because they are aware that it has become an important need in developing their business. However, this is different from the condition of businesses with micro and small scales.⁵ Micro and small business actors still do not comply with this obligation. Until the emergence of these regulations, in practice, there are still many business actors who have not implemented rules regarding halal labeling on their products. So in relation to the description of the background above, the author wants to study more deeply with a thesis entitled "Legal Effectiveness in the Implementation of Halal Certification by Micro, Small and Medium Enterprises (MSMEs) in Bandar Lampung City".

II. RESEARCH METHODS

In this study, the type of research used by the author is empirical normative law research (applied). Empirical normative law research is research that uses empirical normative law case studies in the form of legal behavior products. Empirical normative law research starts from written positive legal provisions that are applied to legal events in concreto in society.

III. ANALYSIS AND DISCUSSION

1. Implementation of Halal Certification by Micro and Small Business Actors in Bandar Lampung City

Halal certification can be said to be a guarantee that the products consumed or produced by producers have met halal standards recognized by the authorities. This halal certificate is a recognition of the halalness of a product issued by the Halal Product Assurance Agency (BPJPH) based on a written halal fatwa or determination of the halalness of a product by the Indonesian Ulema Council (MUI). Halal certification is important for consumers, both Muslims and non-Muslims. The need for halal certification is used to reduce consumer fears about whether the products sold contain haram ingredients.⁶ With halal certification, Muslim consumers will not hesitate to buy food and beverage products, because the packaging of food and

⁴ Abdurrahman Konoras, 2017. *Jaminan Produk Halal di Indonesia Perspektif Hukum Perlindungan Konsumen*, Depok: PT RajaGrafindo Persada, p. 3.

⁵ Eli Ermawati, Muhammad Shohibul Itman, 2024. *Analisis Pelaksanaan Sertifikasi Halal Self Decalre dalam Penyelenggaraan Jaminan Produk Halal di Kabupaten Kudus*. JIMSYA: Jurnal Ilmu Syariah 3, no. 1, p. 37.

⁶ Zusi Eka Fitri, Aji Jumiono, 2021, *Sertifikasi Halal Produk Olahan Pangan*. Jurnal Ilmiah Pangan Halal 3, no. 2, p. 3.

beverage products contains a halal logo and prevents Muslim consumers from consuming non-halal products. However, this halal certification will be very important, especially for Muslim consumers, because in Islam, humans in consuming something are divided into two, namely halal food and haram food. Muslims are only allowed to consume food or drinks that are also thayyib, which is good for the body and human health. With halal certification, Muslim consumers will not hesitate to buy food and beverage products, because the packaging of food and beverage products contains a halal logo and prevents Muslim consumers from consuming non-halal products. However, this halal certification will be very important, especially for Muslim consumers, because in Islam, humans in consuming something are divided into two, namely halal food and haram food. Muslims are only allowed to consume food or drinks that are also thayyib, which is good for the body and human health.

All business actors are required to carry out halal certification of their products. This has also been regulated in Article 4 of Law Number 33 of 2014 concerning Halal Product Assurance stating that: "Products that enter, circulate, and trade in Indonesian territory must be halal certified" meaning that every product that enters, sells, and circulates in Indonesian territory without exception must have a halal certificate. This applies to food, beverages, cosmetics, medicines and even other non-food.

Micro, Small and Medium Enterprises (MSMEs), especially those in Bandar Lampung City, must also carry out halal certification of their products. There are 30,940 business actors in Bandar Lampung City in 2023, which are divided into micro business actors, small business actors, and medium business actors. From this data, only around 10,900 business actors have carried out halal certification. To see how halal certification is implemented by business actors, especially micro and small business actors in Bandar Lampung City, the author conducted a survey with several questions about the implementation of halal certification to 40 respondents who are micro and small business actors. The results of the survey are as follows:



Figure 1. Survey of Micro and Small Business Actors in Bandar Lampung City

From the data above, the implementation of halal certification in Bandar Lampung City by micro and small business actors is still very lacking. Of the total 40 respondents who answered questions from the author, only about 8 business actors have fulfilled their obligations in carrying out halal certification for products that business actors trade. In fact, as many as 32 business actors in Bandar Lampung City from the data above do not know how the application process to get halal certification is. Some business actors already know about sanctions, where business actors who do not carry out halal certification will get sanctions regulated in Article 27 Paragraph (2) of Law Number 33 of 2014 concerning Halal Product Assurance and further regulated in Article 170 Paragraph (2) Government Regulation Number 42 of 2024 concerning the Implementation of the Halal Product Assurance Field. Violations of the implementation of Halal Product Assurance (JPH) are subject to administrative sanctions. The administrative in question is in the form of:

- a) Written warning,
- b) Administrative fines,
- c) Revocation of halal certification,
- d) Withdrawal of goods from circulation.

The authority to provide administrative sanctions for halal certification violations is the authority of the Halal Product Assurance Agency (BPJPH). This is regulated in Article 171 Paragraph (1) of Government Regulation Number 42 of 2024 concerning the Implementation of the Halal Product Assurance Sector.

From the results of the survey of other questions, it was also concluded that business actors in Bandar Lampung City actually understand and feel that it is very important to maintain consumer trust in halal products, even business actors also consider that maybe by being halal certified a product will have a positive impact on its sales by increasing sales, because by being halal certified the spread of the product will also be wider for the product to be in large store stores that view that it is important for a product to have halal certification.

The author also conducted a survey to consumers to see how consumers view halal certification on a product. The author conducted a survey with 15 respondents with various types of jobs. The results of the survey are as follows:



Figure 2. Consumer Survey in Bandar Lampung City

The data above shows that consumer knowledge about halal certification is quite good. Of the total 15 respondents, 14 respondents answered that in buying products considering their halalness, even consumers have understood the importance of halal certification for consumers. Consumers also admit that with halal certification, consumers will be much more confident in choosing the product. This is because

consumers believe that with halal labeling on a product, the product can be believed to be safe.

Regarding certification supervision in Bandar Lampung City, the supervision is the Halal Product Assurance Service Task Regulation (Halal Task Force). The Bandar Lampung City Halal Task Force (Task Force) was formed by the Ministry of Religion of Bandar Lampung City based on the Decree of the Head of the Office of the Ministry of Religion of Bandar Lampung City Number 85 of 2023 concerning the Determination of the Task Force for Supporting Halal Product Assurance Services of the Office of the Ministry of Religion of Bandar Lampung City in 2023. Parties from the community are also allowed to report if they find products that are suspected of being non-halal. If violations are found and require follow-up, the product can be withdrawn from the circular and even the halal certification that has been issued for the product of the business actor can be withdrawn or revoked by the Halal Product Assurance Agency (BPJPH).⁷ Halal certification supervision is an activity carried out to ensure that a product that has received halal certification has really met the halal terms and conditions that have been set. When halal-certified products are circulating, the relevant institutions will supervise the product so that there are no violations in its implementation.

- 2. Supporting Factors and Inhibiting Factors of the Implementation of Halal Certification by Micro and Small Business Actors in Bandar Lampung City
 - a. Supporting Factors for the Implementation of Halal Certification in Bandar Lampung City

In the implementation of halal certification by micro and small business actors in Bandar Lampung City, there are several supporting factors for an increase in registration and submission of halal certification.

1) Legal Factors

The law can interfere with law enforcement due to ambiguity in the formulation of articles, which leads to confusion in interpretation and application. However, regulations on halal certification have provided a strong legal framework, with clear and easy-to-understand procedural provisions and sanctions for business actors.

⁷ Interview with Mrs. Nurul: Auditor dari Lembaga Pemeriksa Halal (LPH) UIN Raden Intan Lampung, 11 August 2024

2) Facility Factor

Halal certification institutions such as the Halal Product Assurance Agency (BPJPH), the Indonesian Ulema Council (MUI), and the Halal Inspection Agency (LPH) provide the best service for business actors. With this institution, micro and small business actors can consult and be guided to obtain halal certification. LPH also provides laboratory facilities for product testing, ensuring safe and free from haram ingredients. In addition, the institution holds a Free Halal Certification (SEHATI) program for micro and small business actors who do not use slaughtered animal materials. This program aims to facilitate free halal certification financing, especially for business actors in Bandar Lampung City. This program is designed to provide support to business actors in obtaining halal certification without the burden of costs so as to increase their accessibility in marketing halal products.⁸

3) Community Factors

Public awareness of the importance of halal food and beverages is increasing, encouraging micro and small business actors to carry out halal certification. This aims to provide a guarantee of halal products to Muslim consumers, both at the provincial, national, and international levels.

4) Law Enforcement Factors

The Halal Task Force as a related institution supervises products that already have halal certification, checks the content of products that already have halal certification, and other possible violations to ensure that all products that are circulating are difficult to comply with applicable rules.

b. Factors Hindering the Implementation of Halal Certification in Bandar Lampung City

In addition to supporting factors such as some of the things above, in the implementation of halal certification is also inseparable from the inhibiting factors experienced by several business actors, especially micro and small business actors in Bandar Lampung City.

1) Community Factors

The lack of understanding of business actors in Bandar Lampung City regarding procedures and documents for applying for halal certification is an obstacle in the process. They consider this to be due to the lack of

⁸ Lembaga Pemeriksa Halal (LPH) UIN Raden Intan Lampung, "Tentang Sehati" <u>https://pklh.radenintan.ac.id/lp3h/tentang-sehati/</u> Accesed on 30 September 2024

socialization about halal certification, especially among micro and small business actors.

2) Community Cultural Factors

The lack of compliance of business actors, especially micro and small business actors, with regulations governing the implementation obligations of halal certification. This lack of compliance can be seen in the results of a questionnaire from 40 respondents, there are only 8 business actors who have carried out the obligation to have halal certification. The problem of cost is also a problem for business actors in carrying out halal certification so that there is still a lack of compliance of business actors with halal certification obligations.

3) Law Enforcement Factors

Law enforcement against halal certification violations in Indonesia has not been optimal. Although Law Number 33 of 2014 requires all products circulating in Indonesia to be halal certified, many business actors still operate without the certificate. The lack of firm action against these violators shows that these rules are not fully implemented, potentially triggering further non-compliance.

IV. CONCLUSION

The implementation of halal certification in Bandar Lampung City by micro and small business actors is still not optimal. Business actors have not yet obtained certification for their products. Although many business actors are aware of the importance of halal certification, they face obstacles in the application process, such as a lack of understanding of registration, high fees, and complicated documents. Halal certification is considered important to ensure halal and product safety for consumers. Certified business actors acknowledge the positive impact, including increased sales.

From the implementation of halal certification in Bandar Lampung City by micro and small business actors, there are supporting and inhibiting factors.

- a) Supporting Factors, which consists of 1) Legal Factors; 2) Facilities Factors;3) Community Factors; 4) Law Enforcement Factors.
- b) Inhibiting Factors, which consists of 1) Legal Factors; 2) Cultural Factors; 3) Law Enforcement Factors.

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