



Analysing The Impact of Halal Certification for the Development of Micro, Small, and Medium Enterprises' Competitiveness in Besuki Raya, Indonesia

Moehammad Fathorrazi ^{1*}, Agus Mahardiyanto ², Lusiana Ulfa Hardinawati ³, Zainuri ⁴, Suparman ⁵, Akhmad Munir ⁶, Agus Priyono ⁷, Moh. Saleh ⁸

^{1,4,7,8} Department of Development Economics, Faculty of Economics and Business, Universitas Jember, Indonesia

^{2,3,5,6} Department of Islamic Economics, Faculty of Economics and Business, Universitas Jember, Indonesia

⁷ Department of Management, Faculty of Economics and Business, Universitas Jember, Indonesia

^{1*}Corresponding author: ¹rozi_feunej@yahoo.com, email: ²agusmahardiyanto.feb@unej.ac.id, ³lusiana.uh@unej.ac.id,

⁴zainuri.feb@unej.ac.id, ⁵suparman.feb@unej.ac.id, ⁶akhmadmunir@unej.ac.id, ⁷priyonagus7@gmail.com,

⁸fe.m.saleh@unej.ac.id

Article history: Received September 10, 2024 | Revised December 26, 2024 | Accepted July 30, 2025 | Available online on October 27, 2025

To cite this article [*Turabian of style 8th edition*]: Fathorrazi, Moehammad, Agus Mahardiyanto,, Lusiana Ulfa Hardinawati, Zainuri, Suparman, Akhmad Munir, Agus Priyono, and Moh. Saleh. "Analysing The Impact of Halal Certification for the Development of Micro, Small, and Medium Enterprises' Competitiveness in Besuki Raya, Indonesia". *IQTISHODUNA: Jurnal Ekonomi Islam* 14, no. 2 (October 1, 2025): 551-564. Accessed October 27, 2025.

ABSTRACT

This research attempts to analyze the impacts experienced by Micro, Small, and Medium Enterprises' (MSMEs) Competitiveness after obtaining Halal certification. The study focused on MSMEs in the Food and Beverage sector using a qualitative exploratory approach. This research was conducted using a qualitative descriptive approach and using a purposive sampling method. One respondent was selected from each district to ensure that all districts within the study area were represented. The rationale for this approach was to secure minimal but sufficient representation from every district under investigation. The analysis results show that halal certification contributes not only to business growth but also to the advancement of Islamic economic values by embedding *halalan tayyiban* principles into the supply chain, promoting transparency, and reinforcing consumer rights in predominantly Muslim markets. The study further highlights that Halal certification contributes to advancing of Islamic economic values by embedding the principles of *halalan tayyiban* into production and distribution processes, promoting business transparency, and reinforcing consumer rights in predominantly Muslim communities. Therefore, Halal certification serves not only as a religious or legal obligation but also as a strategic instrument for sustainable growth and empowerment of MSMEs in regional economic development.

Keywords: halal certification, MSMEs, halalan tayyiban, islamic economic development.

INTRODUCTION

The food industry and agriculture are inseparable, as the food supply chain

is primarily agricultural. Several cases have necessitated halal certification.¹ These cases indicate the importance of ensuring the safety of food products. Therefore, Law No. 33 of 2014 concerning halal product assurance was enacted to provide assurance to the public regarding the safety of processed foods sold. This Law, which came into effect on October 17, 2019, mandates halal certification for all food producers to ensure the safety of their products. This Law is non-discriminatory, meaning that all entrepreneurs/producers, both large and small, are obligated to carry out certification. Failure to do so will result in sanctions being imposed on the producer. The implementation of this law is carried out in stages, adjusted to the government's readiness as its implementer.²

This global context suggests that "halal" is a basic need for Muslims when consuming.³ Halal, defined as something that is permitted and permitted to be consumed, practiced, or produced, has become a *debatable topic* among intellectuals.⁴ This debate emerged with the enactment of the Halal Product Guarantee Law No. 33 of 2014, which provides a legal framework that requires everything distributed in Indonesia to be halal-certified, including food, beverages, tourism, *fashion*, cosmetics and medicines, *travel*, and the financial sector.⁵

The presence of this Law provides a new color to the meaning of halal in Indonesia. Halal, which has been understood as a religious term, an indicator of the permissibility of doing something, is now emphasized as a product identity with the label "halal",⁶ meaning the product has obtained a certificate from the authorized institution, namely the Indonesian Ulema Council (MUI) (Adiwijaya). Thus, the behavior of "*halal every day*" emerged as a concern about halal products. This behavior ultimately gave rise to a "*halal lifestyle*" in the lifestyle of Muslims, especially in Indonesia.⁷

¹ Haleem, A., Javaid, M., and I. H. Khan. "Current Status and Applications of Artificial Intelligence (AI) in Medical Field: An Overview." *Current Medicine Research and Practice* 9 (2019): 231-37. <https://doi.org/10.1016/j.cmrp.2019.11.005>

² Ab Talib, M. S., Abu Bakar Abdul Hamid, and Thoo Ai Chin. "Can Halal Certification Influence Logistics Performance?" *Journal of Islamic Marketing* 7, no. 4 (2016): 461-75. <https://doi.org/10.1108/JIMA-02-2015-0015>

³ Waqar Ahmed et al., "Consumer Behaviour towards Willingness to Pay for Halal Products: An Assessment of Demand for Halal Certification in a Muslim Country," *British Food Journal* 121, no. 2 (October 19, 2018): 492-504. <https://doi.org/10.1108/BFJ-02-2018-0085>

⁴ M. Z. Aminuddin, "Sertifikasi Produk Halal: Studi Perbandingan Indonesia dan Thailand," *SHAHIH: Journal of Islamicate Multidisciplinary* 1, no. 1 (2016): 27-39, <https://doi.org/10.22515/shahih.v1i1.52>

⁵ M. Z. Aminuddin, "Sertifikasi Produk Halal: Studi Perbandingan Indonesia dan Thailand," *SHAHIH: Journal of Islamicate Multidisciplinary* 1, no. 1 (2016): 27-39, <https://doi.org/10.22515/shahih.v1i1.52>

⁶ Mustafa 'Afifi Ab. Halim et al., "Consumer Protection of Halal Products in Malaysia: A Literature Highlight," *Procedia - Social and Behavioral Sciences* 121 (March 1, 2014): 68-78, <https://doi.org/10.1016/j.sbspro.2014.01.1109>.

⁷ Abubakar Mohammed Bashir, "Effect of Halal Awareness, Halal Logo and Attitude on Foreign Consumers' Purchase Intention," *British Food Journal*, published online 2019, <https://doi.org/10.1108/BFJ-01-2019-0011>

Halal product certification is unavoidable, meaning that all products must now obtain halal certification to compete. Failure to do so will result in criminal prosecution (Law No. 33 of 2014 on Halal Product Assurance). This mandate requires all producers, whether they understand the meaning of "halal" or not, to comply with the existing regulations or face criminal penalties. Furthermore, it is crucial to examine whether halal is understood as a component of a Muslim's religiosity or merely as a product identifier designed to promote sales.

The benefits are obtained because the product can compete in the market with quality criteria, standardization, and halal certification, or what is called protection by Adam Smith.⁸ Therefore, the presence of halal branding in the trade of edamame products has several problems that must be explored, namely, whether the presence of halal branding has its own implications in the trade of edamame products. Mitratani Dua Tujuh. As is known, even without halal *branding*, edamame can enter the international market. Thus, PT. Mitratani Dua Tujuh can be one of the companies that have implemented halal *branding* and have penetrated the world market, offering new hope for Indonesia, which currently plays no role in global halal food exports.

The development of halal certification is a government focus, in accordance with the mandate of the Law. JPH No. 33 of 2014 halal accreditation continues to be promoted by the government, including triggering the SEHATI (Free Halal Certificate) program. Several MSMEs with assets of less than 500 million Rupiah can apply for the SEHATI program. Several MSMEs are starting to feel the benefits of the existence of this halal certification program.⁹ The MSME sector has many. The food sector is the target of the halal certification program. Data from the *State of the Global Economy Report* shows an improvement in the shopping for food and drink market, rising by 6.9% in 2021, from US\$1.19 trillion to US\$1.27 trillion.¹⁰ This figure is predicted to increase by 6.9%. Increase to 7% during the year 2022, along with the transition of the pandemic becoming endemic.

Indonesia, a country with a majority of Muslim residents, has a big potential. Indonesia itself occupies the top position after Malaysia as a country with great food potential Drink halal.¹¹ Potential, Indonesia, is the largest Muslim country in the world. And a country with a Muslim middle class that continues to grow. The halal sector is recorded as continuing to grow significantly, both in terms of Potential or even the reality, in sectors besides food and drink: hospitality and tourism, fashion, pharmacy, and logistics. Several of research studies note that there is a correlation between the improvement of the halal sector with growth

⁸ Dominick Salvatore, *Microeconomics: Theory and Applications*, 5th ed. (New York: Oxford University Press, 2007).

⁹ Syaifudin, M.R., & Fahma, F. (2022). Analysis of Halal Certificate Ownership on Income Business MSMEs Mendoan Ngapak. *Performance: Media Scientific Technique Industry*, 21 (1), 40. <https://doi.org/10.20961/performa.21.1.52537>

¹⁰ Dinar Standard. (2022). *State of the Global Islamic Economy Report (Unlocking Opportunity)*.

¹¹ Dinar Standard. (2021). *State of the Global Islamic Economy Report 2020/2021. State of the Global Islamic Economy Report 2020/21*.

class medium Muslim or called *Gene M*.¹² This generation of Muslims is recorded as maintaining their consumption patterns without negating Islamic values.

Besuki Raya is a potential area for halal-based regional development. Besides Jember, there is also Bondowoso, Situbondo, and Banyuwangi. Average area. This mentions itself as the 'City of Islamic Students'. In addition to having a predominantly Muslim population, the region also has many Islamic boarding schools. However, only Jember Regency has the most significant number of Islamic boarding schools. The most significant number of Islamic boarding schools in East Java is 611.¹³ Other findings in research by Mahardiyanto, et al. show that there is a difference perception of the public which is influenced by the belief in leaders of his religion. This means that the area's own obedience is tall to the leaders religion (*Kiai*).¹⁴

This research departs from previous research on Mapping the Halal MSME sector for certification, regular or even self-declare. With hope can describe in a way completely related to the impact of halal certification on the MSME sector in the Besuki area, raya. This research is expected to be a step towards showing that halal certification is not only an obligation but has significant benefits if owned by MSME actors. Research This support Theme research featured University Jember related Resilience Food And Agriculture Industrial with suitability sub theme featured Development technology food innovative, nutritious, healthy, halal, and standardized.

Law Number 33 of 2014 concerning Halal Production Guarantee has been implemented since October 17, 2019, and will be evaluated on October 17, 2024. Therefore, research that seeks to reveal the benefits of Halal Certification is very strategic as it enables the benefits to be inventoried and planning for evaluation to be organized using the latest information. Related to that, the formulation of the problem in this study is what the benefits or impacts of having a Halal Certificate are for MSMEs in the Former Besuki Residency.

The minimum wage (UMK) in Besuki Raya remains unattractive. Based on the collected data, the Cooperatives and UMK Service shows that Jember Regency is the region with the largest number of the biggest UMK in area.

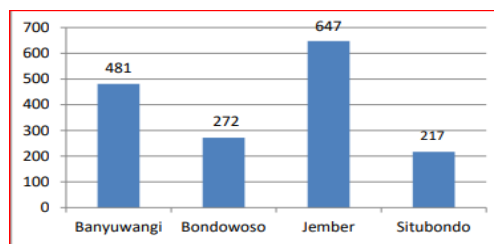


Figure 1. Amount Minimum Wage Se-Besuki Raya In Thousands

Source: <http://diskopukm.jatimprov.go.id>

¹² Yuswohady. (2017). *Gene M (Muslim Generation)*. Jakarta: Span Library.

¹³ Ditdpontren. (2022). *Statistik Data Pondok Pesantren*. Surabaya.

¹⁴ Mahardiyanto, A., Fathorrazi, M., Suparman, Zainuri, & Priyono, A. (2022b). Perception And Knowledge Generation Millennials To Product Halal *Journal Horizon Scientific*, 1 (7), 83–96.

Data on show Jember as the with the total Minimum Wage the biggest. Matter this show that the area in Besuki Raya needs to keep going, pushed, and developed in terms of Minimum Wage And Also its quality. Wrong One, his efforts with measuring the impact of ownership certification on the development of businesses.

METHODS

This research was conducted using a qualitative descriptive approach and using a purposive sampling method, which refers to a non-probability sampling technique where participants are selected based on specific criteria aligned with the research objectives.¹⁵ One respondent was selected from each district to ensure that all districts within the study area were represented. The rationale for this approach was to secure minimal but sufficient representation from every district under investigation.

Consequently, the total number of respondents corresponded to the number of districts included in the study. Although the sample size was relatively small, this approach allowed the researcher to capture a broad and comparative overview across districts.¹⁶

This research selected a location in the former Besuki Residency, which includes Bondowoso, Jember, Banyuwangi, and Situbondo Regencies. In qualitative data collection, a series of activities is carried out. These activities are interconnected to answer the research questions that arise. A qualitative researcher engages in a series of activities during the data collection process. A crucial step in this research is identifying the people/communities or places to be studied, gaining access, and building relationships with informants to obtain reliable data. A closely related step in this process is determining a strategy for selecting research subjects, using either purposive sampling or snowballing techniques.

After selecting the location or community to be studied, researchers must decide on the most appropriate data collection approach. In the digital era, qualitative data collection strategies are now more diverse, including utilizing social media or *online platforms*, such as *email, WhatsApp, Instagram, Twitter, Facebook, and others*. Therefore, data sources can include more than one source. To collect this information, researchers develop various protocols or written forms to record the information obtained, and need to develop other forms of data recording, such as interviews or observations. Furthermore, researchers need to anticipate various issues related to data collection, commonly referred to as "field issues," such as inadequate data, having to leave the field or research site too early, or experiencing information loss. Finally, qualitative researchers must

¹⁵ Sugiyono. (2019). *Metode Penelitian Kuantitatif, Kualitatif, dan R&D*. Bandung: Alfabeta.

¹⁶ Etikan, I., Musa, S. A., & Alkassim, R. S. (2016). *Comparison of convenience sampling and purposive sampling*. American Journal of Theoretical and Applied Statistics, 5(1), 1–4.

determine how they will store the data so that it can be easily found and protected from damage or loss.

RESULT AND DISCUSSION

As the research title suggests, the location of this study is the former Besuki Residency, encompassing the regencies of Bondowoso, Jember, Banyuwangi, and Situbondo. To provide an accurate picture of the opinions of MSME owners and managers, the following description will begin with Bondowoso, Jember, Banyuwangi, and Situbondo.

Aspect	Bondowoso Regency	Jember Regency	Banyuwangi Regency	Situbondo Regency
Regional Context	Less developed, limited provincial roads, MSMEs less vibrant.	Agricultural hub; center of the edamame industry with large exporters and MSMEs.	Lemon-rich area; MSMEs emerging during COVID-19 (e.g., Lemonto). Strong government & NGO support.	Known as the City of Santri, with a strong Islamic identity, but MSMEs still limited in halal awareness.
MSMEs	- Mr. Djago (chips). - Forum IKM (Sutina): MSME community.	- PT Mitratani Dua Tujuh (exporter, 13 countries). - PT GMIT (competitor). - MSMEs: El Abror Bakery, CV Adeeva, beverages/snacks.	- Lemonto (founded 2020): Lemon juice & RTD variants (original, butterfly pea, dragon fruit). - Kelynd's Cake: MSME bakery.	Mostly small MSMEs; e.g., Talkandang Village producers.
Motivation for Halal Certification	- Compliance with Law No. 33/2014.- Needed for Alfamart partnership.- Desire for consumer trust.	- Required by importers (halal, kosher, food safety).- Compliance with 2024 halal mandate.- Market expansion & competitiveness.	- To access markets & souvenir centers.- Boost consumer trust.- Supported by a government funded program (2022).	- Religious-cultural identity (City of Santri).- Belief that halal is important for buyer safety. - General lack of technical knowledge.
Support & Facilitation	- Guidance from Cooperatives & MSMEs Office.- Forum IKM covers marketing, SJH, costs.	- PT Mitratani: Full SJH/HAS since 2016.- MSMEs: Mentoring (Unej, associations).	- Support from Mercykop NGO, Banyuwangi Polytechnic, and a Agriculture Service.- Assisted in halal certification process.	Limited structured support; awareness is mainly cultural-religious.
Benefits for Producers	- Retail partnerships (Alfamart).-	- Expanded export markets (Japan → 13 countries).-	- Easier partnerships & reseller networks.-	- Awareness of halal's importance for

Aspect	Bondowoso Regency	Jember Regency	Banyuwangi Regency	Situbondo Regency
	Marketing & cost support via Forum IKM.- Higher confidence & motivation.	Competitive edge vs China/Taiwan.- Stronger management & traceability.- MSMEs: higher turnover, marketing ease.	Expanded reach (regional & national).- Marketing boost via certification posts (Kelynd’s Cake turnover ↑).- Confidence in product blessings.	future market.- Belief that halal = safety & legitimacy.- Early-stage producer enthusiasm.
Benefits for Consumers	- Trust & satisfaction with halal-certified local food.	- Confidence in halal & food safety.- Pesticide-free, high quality.	- Trust & security in processed drinks & cakes.- Confidence in long shelf-life halal products.	- Assurance of halal status in “City of Santri”.- Cultural expectation for clarity.
General Outcomes	1. Strong compliance. 2. Market access via retailers. 3. Boost in self-confidence.	1. Fulfilled importer requirements → trade expansion. 2. Wider market share. 3. Strengthened oversight.	1. Wider market reach (offline/online). 2. Increased sales turnover. 3. Added value & product legitimacy.	1. Early halal awareness growing. 2. Cultural legitimacy strong . 3. Need for education & facilitation.

Based on the explanation provided in sub-chapter 4.1, the benefits of halal certification can be categorized into three major dimensions. First, halal certification functions as a form of legitimacy affirming the halal status of a product, thereby strengthening consumer trust and increasing purchase intention, which ultimately contributes to an expanded market share. Second, halal certification represents formal government recognition—through the authority of BPJPH—that a product is guaranteed to be halal. This official acknowledgment fosters greater enthusiasm among producers by generating a sense of pride and satisfaction in ensuring that the goods they market comply with Islamic law. Third, the overall impact of halal certification on MSMEs includes the growth of their consumer base, the widening of their marketing reach, and the reinforcement of production credibility. Collectively, these benefits demonstrate that halal certification not only serves religious and regulatory functions but also operates as a strategic economic instrument that enhances competitiveness and supports sustainable business development.

To provide more focused information, the following will describe one by one the benefits or impacts of halal certification on the lives of MSMEs in Esk Besuki Residency.

Impact of Halal Certification on Marketing

Halal certification is a form of recognition of the halal status of a product, issued by the government through the Halal Product Guarantee Agency (BPJPH). The process is lengthy and involves several related institutions until a Halal Certificate is issued for a specific product. Halal certification is divided into two categories: halal activities and halal food and medicine. In this study, halal certification refers to food. This is the focus of the study because, since its implementation on October 17, 2019, the halal certification for food will be evaluated on October 17, 2024. Naturally, there will be rewards and punishments for products sold in Indonesia. With only one year left, it is crucial to analyze and discuss the 2024 evaluation.

Based on the research conducted across four districts within the former Besuki residency, the findings indicate that halal certification plays a significant role in strengthening the market position of MSMEs. First, obtaining halal certification enables businesses to expand their marketing reach beyond local boundaries, allowing their products to enter broader regional markets. Second, the presence of a halal certificate contributes to an increase in the number of consumers, as it enhances consumer confidence in the products they purchase. This heightened trust stems from the assurance that the goods comply with Islamic dietary and ethical standards. Consequently, halal certification not only serves as a marker of religious compliance but also functions as a strategic tool for market expansion and consumer growth.

When the results of this study are linked to the results of research conducted by Nunung Triana, it appears to be in line, namely that the ownership of a halal certificate has a significant positive effect on food consumption, meaning that by having a halal certificate, the food will be increasingly sought after by consumers. The results of this study are also in line with the results of research conducted by Nadhifa Tasya, Rahmah Yulisa Kalbarini in Pontianak, that halal certification has a significant effect on the decision to make a purchase because consumers believe that the halal certificate will provide legal protection for the halalness of a product, thereby increasing consumer trust and interest in purchasing it.¹⁷

In addition to being in accordance with the results of research conducted by Nunung and Nadhifa, the results of this study support the findings of research conducted by Herdiyanto Husain, and Sabarudin Sondeng in Kendari that halal certification is an important thing to know before making a purchase, and ultimately, ownership of a halal certificate has a significant influence on consumer purchasing interest.

Thus, the ownership of a halal certificate will influence consumer purchasing decisions, and the halal certificate will influence the number of purchases from consumers so that the ultimate benefit is that the halal certificate

¹⁷ Nadhifa Tasya, "KONSUMEN MUSLIM DALAM MEMBELI PRODUK MAKANAN (Studi Kasus Pada Masyarakat Kota Pontianak)," *Institut Agama Islam Negeri Pontianak 4*, no. 1 (2023): 483–91. <https://doi.org/10.3059/insis.v0i0.13909>

will expand marketing reach and market share. This statement is supported by data that Jember Edamami Soybeans were previously only purchased solely (monopsony) by Japan, but after having a halal certificate and BRC, they were finally able to expand their marketing to Arab and Islamic countries such as Dubai, Turkey, the United Arab Emirates, Malaysia and several other countries (now there are 13 countries that have been successfully reached by PT Mitra Tani Jember)

Impact of Halal Certification on Partner Requirements

Another equally important benefit or impact, besides expanding marketing reach and market share, is that halal certification is a mandatory requirement for producers to enter into partnerships. This was revealed in an explanation from an MSME in Bondowoso Regency, that in order to partner with Alfa Mart, Mr. Budiñana's chips must first have a halal certificate. Similarly, Mrs. Sutini's explanation revealed that to be accepted into the East Java Small and Medium Industry Forum (IKM Forum) community, they must be willing to comply with certain requirements, including assistance in obtaining a halal certificate.

The results of this study are in accordance with the framework of the issuance of Law Number 33 of 2014 that not all products circulating in the community are guaranteed to be halal and the second consideration is that the regulation regarding the halal status of a product currently does not guarantee legal certainty and needs to be regulated in a statutory regulation. Thus, there is an indication of compliance by MSMEs to implement Law Number 33 of 2014 that all products in Indonesia MUST be halal certified. This obligation is implemented considering several rights that will later be enjoyed by MSMEs. Business Actors have the right to obtain: a. information, education, and socialization regarding the JPH system; b. guidance in producing Halal Products; and c. services to obtain Halal Certificates quickly, efficiently, affordably, and non-discriminatory.

Impact of Halal Certification on Creating Entry Barriers

In microeconomic theory, barriers to entry are identified as factors that hinder new competitors from entering an industry. Nicholson (1997) classifies these barriers into two major categories. The first is legal barriers to entry, which arise when regulatory frameworks or formal policies explicitly restrict or prohibit new firms from competing in a particular market. These barriers are often institutional in nature, operating through government licensing, certification requirements, or exclusive rights. The second category is economic barriers to entry, which occur when firms already operating in the industry possess significant economic advantages—such as economies of scale, established distribution networks, or strong brand loyalty—that make it difficult for new entrants to compete effectively. As a result, potential competitors may face substantial challenges in adopting cost structures, pricing strategies, or production efficiencies comparable to incumbent firms. Collectively, these

barriers shape market dynamics by maintaining the market position of existing firms and limiting the entry of new participants.

Based on these two barriers to entry, it appears that halal certification is not present in either of them, but it does present a temporary barrier for competitors. This means that once competitors also have halal certification, they can enter the desired industry.

This halal certification can also be a barrier to entry, based on the description and experience of Mitra Tani Jember and Mr. Djago in Bondowoso. Initially, the Edamami soybeans produced by PT Mitra Tani were only sold to Japan and faced difficulties entering Arab countries and Malaysia because they lacked halal certification. However, after Mitra Tani Jember obtained halal certification, they can now sell to 13 other countries, not just Japan (a monopsony).

Similarly, Mr. Djago's experience in Bondowoso was similar. When he attempted to partner with Alfa Mart, he was unable to do so because Alfa Mart required a halal certificate. After Mr. Djago obtained the halal certificate, they were able to meet the requirements of Alfa Mart Bondowoso and Jember.

Based on the results of this study, it can be concluded that Halal Certificates can be a barrier to entry as described in the barrier to entry theory in microeconomic theory.

CONCLUSION

Based on the research findings and discussion, several key conclusions can be drawn. First, the possession of a halal certificate significantly enhances consumer trust in MSME products, which subsequently strengthens and expands market share. This outcome is consistent with the principles of Islamic economics that prioritize consumer protection (*hifz al-nafs* and *hifz al-mal*) and promote ethical and responsible trade. Second, halal certification serves as an important facilitator for MSMEs in accessing broader partnership and distribution networks, as many modern retailers and business collaborators require halal compliance as a prerequisite for cooperation. This indicates that halal certification functions not only as a religious or regulatory requirement but also as a strategic market enabler and a mechanism to support fair competition. Third, the halal certificate may also act as a barrier to entry in sectors where product differentiation is relatively limited, thereby encouraging MSMEs to emphasize product quality, production hygiene, and compliance with Islamic ethical standards. Overall, halal certification contributes to both economic empowerment and value-based business development, positioning MSMEs to compete more sustainably within increasingly competitive markets.

Overall, halal certification contributes not only to business growth but also to the advancement of Islamic economic values by embedding *halalan tayyiban* principles into the supply chain, promoting transparency, and reinforcing consumer rights in predominantly Muslim markets.

Based on these conclusions, several recommendations can be offered. First, for MSME policymakers, ongoing outreach and structured assistance regarding halal certification should be prioritized, particularly during key implementation periods, such as the evaluation schedule on October 17, 2023. To ensure that MSMEs do not perceive halal certification as a bureaucratic burden, targeted training programs, streamlined administrative procedures, and financial support or subsidies should be made available. Second, because MSMEs commonly operate within interconnected value chains, efforts to promote halal certification should not be conducted in isolation. Instead, certification initiatives should be expanded concurrently across related sectors such as food ingredients, packaging, distribution, and logistics. Adopting this integrated ecosystem-based approach will accelerate certification outcomes, strengthen supply chain compliance, and enhance the overall integrity of the halal industry at the regional and national levels.

The success of halal certification depends on strong institutional synergy. Policymakers must strengthen collaboration among BPJPH, Halal Inspection Institutions (LPH), Halal Production Process Assistance Institutions (LP3H), and Halal Slaughterers (JULIHA). Clear role differentiation, resource allocation, and monitoring are crucial to avoid overlaps and inefficiencies.

Author's Contribution

Moehammad Fathorrazi, Agus Mahardiyanto: Contribute to formulating research ideas, collecting data, processing data, and interpreting data,

Zainuri, Lusiana Ulfa Hardinawati, Suparman, Akhmad Munir: Contribute to writing systematics, and research methods.

Agus Priyono, Moh. Saleh: Contributing to analyzing interpretation results, the language proofread.

Acknowledgements

The author is grateful to those who helped in the completion of this article, especially during the data collection process and article review.

Declaration of Competing Interest

The author declares that there is no conflict of interest.

Ethical Approval

Ethical approval No patient-identifying parts in this paper were used or known to the authors. Therefore, no ethical approval was requested.

REFERENCES

- Ahmed, Waqar, Arsalan Najmi, Hafiz Muhammad Faizan, and Shaharyar Ahmed. 2018. "Consumer Behaviour towards Willingness to Pay for Halal Products: An Assessment of Demand for Halal Certification in a Muslim Country." *British Food Journal* 121, no. 2 (October 19): 492-504. <https://doi.org/10.1108/BFJ-02-2018-0085>
- Ab Talib, M. S., A. B. Abdul Hamid, and T. A. Chin. 2016. "Can Halal Certification Influence Logistics Performance?" *Journal of Islamic Marketing* 7, no. 4: 461-475. <https://doi.org/10.1108/JIMA-02-2015-0015>
- Abu-Alhajja, A. S. 2018. "Halal Branding: Developing Brand Equity." *Journal of Islamic Marketing* 9, no. 1: 124-138.

- Adiwijaya, A. J. S. 2019. "Menyongsong Pemberlakuan Kewajiban Sertifikasi Halal di Indonesia." *Jurnal Ilmiah Living Law* 11, no. 1: 1-12. <https://ojs.unida.ac.id/livinglaw/article/view/1641>
- Ahmed, Waqar, Arsalan Najmi, Hafiz Muhammad Faizan, and Shaharyar Ahmed. "Consumer Behaviour towards Willingness to Pay for Halal Products: An Assessment of Demand for Halal Certification in a Muslim Country." *British Food Journal* 121, no. 2: 492-504. <https://doi.org/10.1108/BFJ-02-2018-0085>
- al-Qardhawi, Yusuf. *The Lawful and the Prohibited in Islam*. Kuala Lumpur: Islamic Book Trust, 1993.
- Aminuddin, M. Z. 2016. "Sertifikasi Produk Halal: Studi Perbandingan Indonesia dan Thailand." *SHAHIH: Journal of Islamicate Multidisciplinary* 1, no. 1: 27-39. <https://doi.org/10.22515/shahih.v1i1.52>
- Bashir, Abdalla Mohamed. "Effect of Halal Awareness, Halal Logo and Attitude on Foreign Consumers' Purchase Intention." *British Food Journal* 121, no. 9: 1998-2015. <https://doi.org/10.1108/BFJ-01-2019-0011>
- Denzin, Norman K., and Yvonna S. Lincoln, eds. 2011. *The SAGE Handbook of Qualitative Research*. 4th ed. Thousand Oaks, CA: Sage.
- Dinar Standard. *State of the Global Islamic Economy Report 2020/2021*, 2021.
- Dinar Standard. *State of the Global Islamic Economy Report (Unlocking Opportunity)*, 2022.
- Ditpdpontren. *Statistik Data Pondok Pesantren*. Surabaya: Ditpdpontren, 2022.
- Etikan, I., S. A. Musa, and R. S. Alkassim. "Comparison of Convenience Sampling and Purposive Sampling." *American Journal of Theoretical and Applied Statistics* 5, no. 1 (2016): 1-4. DOI: 10.11648/j.ajtas.20160501.11
- Gillani, S. H. B., and F. Ijaz. "Role of Islamic Financial Institutions in Promotion of Pakistan Halal Food Industry." *Islamic Banking and Finance Review* 3, no. 1 (2016): 29-49.
- Halim, M. 'Afifi Ab., and A. A. Ahmad. "Enforcement of Consumer Protection Laws on Halal Products: Malaysian Experience." *Asian Social Science* 10, no. 3 (2014) 9-14. <https://doi.org/10.5539/ass.v10n3p9>
- H., and S. Sondeng. "Dampak Sertifikasi Halal Bahan Makanan Olahan di Kota Kendari." *Mega Aktiva: Jurnal Ekonomi dan Manajemen* 9, no. 2 (2020): 31-41. <https://megaaktiva.umkendari.ac.id/index.php/Jurnal/article/view/138>

- Khairunnisa, H., D. Lubis, and Q. Hasanah. "Increase in Turnover of Food and Beverage MSMEs in City Bogor Post Certification Halal." *AL-MUZARA'AH* 8, no. 2: 109-127 (2020).
<https://doi.org/10.29244/jam.8.2.109-127>
- Khan, M., M. I. Khan, and A. Haleem. "Defining Halal Supply Chain Management." *Journal of Islamic Marketing* 10, no. 1 (2019): 73-89.
<https://doi.org/10.1080/16258312.2018.1476776>
- Krisharyanto, E., U. Wijaya, and K. Surabaya. 2019. "Regulation and Provisions for Supervision of Halal Products in Indonesia." *Journal of Legal, Ethical & Regulatory Issues* 22, no. 1: 1-10.
- Kusuma, D. B. W., M. Muqorrobin, C. Krouchj, and N. Jamaluddin. 2013. "The Rational Behavior Concept in Islam and Policy Framework Perspectives." *Global Review of Islamic Economics and Business* 1, no. 2: 99-118. <https://doi.org/10.14421/grieb.2013.012-02>
- Lestari, S. P., A. T. Haryono, and A. R. Febrianto. 2022. "MSME Resilience in Facing the Covid Pandemic." *Seminar Nasional Penelitian Ekonomi dan Bisnis*.
- Mahardiyanto, A., M. Fathorrazi, and L. Ulfa Hardinawati. 2022. "Institutional and Empowerment Models of Integrated Zakāh Village in Jember." *Al-Iqtishad: Journal of Islamic Economics* 14, no. 2.
<https://doi.org/10.15408/aiq.v14i2.27793>.
- Mahardiyanto, A., M. Fathorrazi, Suparman, Zainuri, and A. Priyono. 2022. "Perception and Knowledge Generation of Millennials Toward Halal Products." *Horizon Scientific Journal* 1, no. 7: 83-96.
<https://www.bajangjournal.com/index.php/JCI/article/view/1785>
- Michael, G. 2008. "Participatory Action Research: An Overview." *KAIRARANGA* 9 (Special Edition).
- Miles, Matthew B., and A. Michael Huberman. 1994. *Qualitative Data Analysis: An Expanded Sourcebook*. 2nd ed. Thousand Oaks, CA: Sage.
- Saabar, N., and A. Ibrahim. 2014. "The Knowledge of Halal and Advertising Influence on Young Muslims' Awareness." Conference Paper.
- Salvatore, Dominick. 2007. *Microeconomics: Theory and Applications*. 5th ed. Oxford: Oxford University Press.
- Simangunsong, R. 2022. "Influence of Micro, Small, and Medium Businesses on Economic Growth in Indonesia." *WIPPUN* 1, no. 1.
<https://www.kemenkeu.go.id>.
- Sugiyono. 2019. *Metode Penelitian Kuantitatif, Kualitatif, dan R&D*. Bandung: Alfabeta.

- Syaifudin, M. R., and F. Fahma. 2022. "Analysis of Halal Certificate Ownership on Income of Mendoan Ngapak MSMEs." *Performance: Media Ilmiah Teknik Industri* 21, no. 1: 40.
<https://doi.org/10.20961/performa.21.1.52537>.
- Tasya, Nadhifa. 2023. "Konsumen Muslim dalam Membeli Produk Makanan (Studi Kasus Kota Pontianak)." *Institut Agama Islam Negeri Pontianak* 4, no. 1: 483-491.
<https://jurnal.umsu.ac.id/index.php/insis/article/view/13909>