MODEL IMPLEMENTATION OF HALAL CERTIFICATION ESSENCE FOR MICRO, SMALL AND MEDIUM BUSINESS IN EAST JAVA

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ABSTRACT

Purpose: This study aims to formulate an implementation model of halal certification essence to MSMEs in East Java.

Design/Methodology/Approach: This study uses qualitative methods with Husserl's phenomenological approach. This research takes the setting in East Java Province. The informants and research clusters from MSME industry group in East Java are selected by purposive sampling. The main informants are East Java MSME actors who are Muslim. Key informants are BPJPH, halal center, LPH and MUI. The data analysis uses Interactive Model Analysis from Miles and Huberman, the Hussel phenomenon approach and domain analysis.

Findings: The MSMEs shows positive response to laws and regulations of halal certification but it is still not fully maximized to immediately register their products as an effort to get halal certification.

Research limitations/Implications: The model implementation of halal certification essence to MSMEs in Java East in form of MUI regulations, MUI supervision, producer aspects and increasing awareness of MSMEs in halal essence in form of halal certification can supports the development of MSMEs

Practical implications: The branding theory and strategy in development of MSMEs of this research results can be applied to development of strategic knowledge, especially for MSMEs.

Social implications: East Java SMEs do not fully have awareness of halal essence so that there are still many who do not have halal certification so that they can follow government regulations in having halal certification to sell their products in Indonesia. This research also shows that SMEs need to prioritize obligations in meet halal certification to facilitate the business.

Originality/Value: This is the research that examine the halal certification in the context of MSMEs in East Java.

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MODELO DE IMPLEMENTACIÓN DE LA HALAL CERTIFICATION ESSENCE PARA MICRO, PEQUENAS E MÉDIAS EMPRESAS EM JAVA ORIENTAL

RESUMEN
Objetivo: Este estudio tiene como objetivo formular un modelo de implementación central de certificación halal para los MSMEs en Java Oriental.

Diseño/Metodología/Enfoque: Este estudio utiliza métodos cualitativos con el enfoque fenomenológico de Husserl. Esta encuesta toma el escenario en la provincia de Java Oriental. Los informantes de las encuestas del grupo industrial MSME y las agrupaciones en Java Oriental se seleccionan mediante muestreo intensivo. Los principales informantes son los actores MSME de Java Oriental que son musulmanos. Los principales informantes son BPJPH, centro halal, LPH y MUI. El análisis de datos utiliza el análisis de modelos interactivos de Miles y Huberman, el enfoque Hussel y el análisis de dominio.

Constataciones: Las MSMEs muestran una respuesta positiva a las leyes y reglamentos de certificación halal, pero aún no están plenamente maximizados para registrar inmediatamente sus productos como un esfuerzo para lograr la certificación halal.

Limitaciones/Implicaciones: El modelo de aplicación de la esencia de certificación halal para MSMEs en Java East, en forma de reglamentos MUI, supervisión MUI, aspectos del productor y una mayor sensibilización para las MSMEs en Java Oriental se seleccionan mediante muestreo intensivo. Los principales informantes son los actores MSME de Java Oriental que son musulmanos. Los principales informantes son BPJPH, centro halal, LPH y MUI. El análisis de datos utiliza el análisis de modelos interactivos de Miles y Huberman, el enfoque Hussel y el análisis de dominio.

Hallazgos: Las MSMEs muestran una respuesta positiva a las leyes y reglamentos de certificación halal, pero aún no están plenamente maximizados para registrar inmediatamente sus productos como un esfuerzo por lograr la certificación halal.

Consecuencias prácticas: La teoría de las marcas y la estrategia para el desarrollo de las MSMEs a partir de estos resultados de investigación pueden aplicarse al desarrollo de conocimientos estratégicos, especialmente para las MIPYME.

Consecuencias sociales: Las MSMEs de Java Oriental no son plenamente conscientes de la esencia halal, por lo que todavía hay muchas que no tienen certificación halal para que puedan seguir las regulaciones del gobierno para tener certificación halal para vender sus productos en Indonesia. Esta investigación también muestra que las PYME deben dar prioridad a la obligación de cumplir con la certificación halal para facilitar la actividad.

Originalidad/Valor: Esta es la encuesta que examina la certificación halal en el contexto de las MSMEs de Java Oriental.

Palabras clave: Certificado Halal Esencial, Productores, SMEs.

MODELO DE APLICACIÓN DE LA ESENCIA DE CERTIFICACIÓN DE HALAL PARA MICRO, PEQUENAS Y MEDIANAS EMPRESAS EN JAVA ORIENTAL

RESUMO
Objetivo: Este estudo tem como objetivo formular um modelo de implementação central de certificação halal para MSMEs em Java Oriental.

Diseño/Metodologia/Abordagem: Este estudo utiliza métodos qualitativos com a abordagem fenomenológica de Hussel. Esta pesquisa toma o cenário na Província de Java Oriental. Os informantes e clusters de pesquisa do grupo industrial MSME em Java Oriental são selecionados por amostragem intensiva. Os principais informantes são atores MSME de Java Oriental que são muçulmanos. Os principais informantes são BPJPH, halal center, LPH e MUI. A análise de dados usa a análise de modelo interativo de Miles e Huberman, a abordagem do fenômeno Hussel e a análise de domínio.

Constatações: As MSMEs mostram uma resposta positiva às leis e regulamentos de certificação halal, mas ainda não estão totalmente maximizadas para registrar imediatamente seus produtos como um esforço para obter a certificação halal.

Limitações/Implicações da investigação: O modelo de aplicação da essência de certificação halal às MSMEs em Java East, sob a forma de regulamentos MUI, supervisão MUI, aspectos do produtor e uma maior sensibilização para as MSMEs na essência halal, sob a forma de certificação halal, pode apoiar o desenvolvimento das MSMEs.

Implicações práticas: A teoria da marca e estratégia no desenvolvimento de MSMEs destes resultados de pesquisa pode ser aplicada ao desenvolvimento de conhecimento estratégico, especialmente para MSMEs.

Implicações sociais: As SMEs de Java Oriental não têm plena consciência da essência halal, de modo que ainda há muitos que não têm certificação halal para que eles possam seguir os regulamentos governamentais em ter certificação halal para vender seus produtos na Indonésia. Esta investigação demonstra igualmente que as SMEs devem dar prioridade às obrigações de cumprir a certificação halal para facilitar a atividade.

Originalidade/Valor: Esta é a pesquisa que examina a certificação halal no contexto de MSMEs em Java Oriental.

Palavras-chave: Essência Halal Certificado, Produtores, SMEs.
INTRODUCTION

The consumer demands for halal products are basically not only a religion issue in Islam, but have also become part of reality of business and trade (Borzooei and Asgari, 2013). MSMEs ignorance to obligation of halal certification will break the rules and their products cannot circulate in Indonesia. The response of MSMEs to laws and regulations that require halal certification has received a positive response but it is still not fully maximized to immediately register their products as an effort to get halal certification. Khalimy (2018) stated that the problem of halal certification for MSME producers are their reluctance to comply with Halal certification rules set by government through RI Law Number 33: 2014. The MSMEs feel that certification process will waste a lot of time, a procedure that difficult to understand. They do not want to process the certification even though free. This is reinforced by data from Deputy for Micro Enterprises of Cooperatives Ministry and MSMEs, Eddy Satriya explained that number of micro, small and medium-sized producers (MSMEs) in Indonesia only small portion have halal certificates. Data from BPS (2019) showed that from total 4,380,176 MSMEs in Indonesia, 96% did not have Halal Certificates (Kompas.com - 24/03/2021, 18:35 WIB). It means only 4% MSMEs 4 percent of MSMEs have business licenses or 168,161 MSEs have Patent/Copyright/IPR certificates and type of certificate they have. This requires research to explore further the obstacles of halal certification, and to find a solution on how best to have a concise but effective procedure to get a halal certificate. This research is important to do considering the important role of halal certification in supporting the national economy.

Halal certification is an obligation for producers in Indonesia because their consumers in Indonesia are 24 percent of world's Muslim population with a contribution of US$2.2 trillion per year. This number is predicted to increase by 5.2 percent per year and reach US$3.2 trillion in 2024. Indonesia as a country with largest Muslim population in world with a Muslim population of 299 million. It is the largest importer of halal products in world whose value reaches 167.9 billion US dollars. Data from 2020 Global Economy Report shows Indonesia does not have a large enough role in halal economy in world, where Indonesia's position is still below Malaysia, the United Arab Emirates, Bahrain and Saudi Arabia (Nursalikah, 2020). Halal certification is very important for MSMEs in developing their products. The MSMEs need halal certification to develop a market share in Indonesia. This research is needed to be able to describe the potential or mapping in which areas already have MSME awareness to get halal certification. This study results should be able to see the constraints, obstacles and supporting factors in halal certification process in Indonesia.
Nur (2020) explained that regulation of *halal* certificates in Indonesia according to Law on *Halal* Product Assurance shows great concern from government and guarantees that all products circulating in society must have a *halal* certificate from MUI in order Muslim consumers feel satisfied and get legal protection. The implementation of *halal* certification arrangements is a form of legal protection for consumers of *halal*-certified food products in society by providing outreach to community from an early age, to general public (Triasih, et al, 2016).

The *halal* certificates were given to food products that were voluntary before 2014. Law No: 33 of 2014 oblige the issuance of *halal* certificates. Producers who violate will be subject to sanctions (Triasih, 2016). Nur (2020) and Dharu et al (2016) examined the basic essence of government order for producers to have *halal* certification for goods produced and distributed in Indonesia, and those who violate this will receive sanctions. Dharu et al (2016) and Nur (2020) described the obligations of producers and imposition of sanctions for those who violate them, and research is still needed to find the essence of implementation and regulation of *halal* certification obligations by government.

This research was conducted on SMEs in East Java based on development of SMEs in East Java. Figure 1 explained by position the MSMEs in Indonesia.

Figure 1. Development of MSMEs in Indonesia

Source: Central Bureau of Statistics (BPS), 2020
Central Statistics Agency (BPS) noted the number of micro and small industries (IMK) in Indonesia in 2020 was 4,209,817 businesses. Central Java is the province with highest number of IMK, namely 898,162 businesses. East Java is in second place with a total of 828,482 businesses. Followed by West Java with a total of 625,943 businesses. Next, the number of IMK in Bali was recorded at 149,516 businesses. Meanwhile in DI Yogyakarta, the number of IMK is 137,499 businesses. Meanwhile, the province with least number of IMK is West Papua, namely 4,558 businesses. North Kalimantan and Papua have 4,963 businesses and 12,094 businesses respectively.

There are more than 65 million MSMEs spread throughout Indonesia. If only 1 percent, it means that around 650,000 have *halal* certification. Table 1 shows the *halal* certification for MSMEs in Indonesia.

Table 1. Data on *Halal* Certified MSMEs in Indonesia

<table>
<thead>
<tr>
<th>No</th>
<th>Province</th>
<th>MSMEs</th>
<th>Percentage of <em>Halal</em> Certification</th>
<th>Certified SMEs</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Jawa Tengah</td>
<td>898,162</td>
<td>30%</td>
<td>269,449</td>
</tr>
<tr>
<td>2</td>
<td>Jawa Timur</td>
<td>828,482</td>
<td>20%</td>
<td>157,412</td>
</tr>
<tr>
<td>3</td>
<td>Jawa Barat</td>
<td>625,943</td>
<td>22%</td>
<td>125,189</td>
</tr>
<tr>
<td>4</td>
<td>DI Yogyakarta</td>
<td>139,499</td>
<td>25%</td>
<td>34,875</td>
</tr>
</tbody>
</table>

Source: Processed Data

Table 1 shows MSMEs with *halal* certification in Java island province. The most MSMEs with *halal* certification are Central Java at 30% of total MSMEs. It is followed by DI Yogyakarta at 25%. The lowest *halal* certification 25% of number of MSMEs.

Data from MSMEs shows East Java has lowest has *halal* certification for MSMEs. East Java has a *halal* industrial area. This is one reason research was conducted in East Java. In addition, the Government of Republic of Indonesia through the Ministry of Industry issued a Decree of Minister of Industry No. 17 of 2020 on Procedures for Obtaining a Certificate in Context of Establishing a *Halal* Industrial Area.

*Halal* MSMEs in East Java have obstacles to growth and development. Basically, product halalness is not only an issue associated with religion, especially Islam, but has also become part of reality of business and trade (Borzooei and Asgari, 2013). There are several cases related to complaints about product halalness.

The research on *halal* certificates is urgent because there is no in depth discussion on the *halal* essence from producer's point of view. The purpose to regulate the implementation of *halal* certification can be realized in future and to bring up a proposition about *halal* certification in East Java. *Halal* certification can shape consumer purchasing power and can
supports to increase the added value for producers. Comprehensive and in-depth research on halal essence from various stakeholder perspectives on halal certification is important. This research is focused on MSME's understanding of halal certification, MSME mapping and model implementation the halal certification essence to MSME in East Java

This research development was done by previous researchers to produce a more complete, comprehensive and broader update. The research gap appears on the halal certification from producer's perspective. Research on importance of halal certification was conducted by Mahmud (2013), Thabrani (2013), Aziz et al. (2015), Nor et al. (2016), Noordin et al. (2012), Etri and Yucel (2016), Syed et al. (2012) who found that the essence or fundamental meaning or awareness of importance of halal products or product halal certification from a consumer perspective is one of things that can qualitatively increase the competitiveness of businesses for MSMEs group. Wibowo and Ahmada (2016), Bulan (2016), Najmaei et al. (2017) found that halal issues recognize safety and quality guarantees which mean the products prepared must meet standards which also include hygiene in order to contribute to a strategic approach to information systems. Where religious views are an important part of organizational structure from perspective of government and institutions and influence the purchasing decisions.

Arinilhaq (2017), Segati (2018), Fatimah Nur (2020) and Dharu et al (2016), Wirakurnia et al. (2021), Asih and Anya (2021) explained the importance of halal certification from various perspectives. Producers respond and apply halal certification to their products in order to increase sales. The obligations of producers and imposition of sanctions for violators, and essence of implementation and regulation of halal certification obligations is regulated government. But Ansia et al. (2018), Hasan (2021), Rasyid (2021) found that the study on halal certification is a separate perspective between the producer's point of view. The halal certification essence in Indonesia can be seen from purpose of Article 3 of Law of Republic of Indonesia number 33 year 2014. It requires a comprehensive understanding of halal certification by combining studies from consumer, producer and government side to found right pattern or concept.

The producer's perspective discusses the desires of consumers who want goods to fulfill their needs at prices as economical as possible and meet health, safety and benefit standards in context of Halal Certification. The results of exploration of producer's perspective on halal certification can be used as material for further observation and exploration of halal certification essence based on producer's perspective. This exploration results from producer's
perspective are indispensable when conducting observations and interviews with producers to strengthen the observations, interviews and data processing based on Husserl's phenomenology. This research problem examines the implementation model of halal certification essence for MSMEs in East Java. This study purpose is to formulate an implementation model of halal certification essence to MSMEs in East Java.

**LITERATURE REVIEW**

**Islamic Branding**

Islam commercialization much less likely to happen because of nature and teachings of Islamic faith itself. There are clear and strict conditions that must be complied before a company can get on vehicle of religious marketing. The brands cannot comply with Sharia until they fulfill many conditions related to ingredients, logistics, impact and intention. The results of this fulfillment produce what is called "halal" or healthy products. The religion plays an active role in transforming business into an ethical entity whose goal is to increase sales and revenue (Alserhan, 2010).

Islamic branding is needed to change the west oriented mindset toward awareness among religious people, especially Islam to implement Islamic law in everyday life. Islamic branding offers a philosophy and a way of life that ends in one concept, namely obedience to Allah SWT. Islamic branding must also prioritize quality. There is no term "in name of God" then do not think about product quality (Zainal, 2016).

Islamic branding must be followed by Islamic marketing. Islamic Shari'a guides marketers by prioritizing noble moral values. Islamic marketing must pay attention to several things, including namely products should not contain elements or raw materials that are forbidden, pricing should not contain gambling, gharar, and usury, promotion should not use fraud, perjury, and sex appeal in displaying product advertisements, the selling place should not in prohibited places such as mosques or at prohibited times such as prayer times. Even though there are various prohibitions related to Islamic branding, Islam does not curb the creativity of its followers. (Ranto, 2013).

**Implementation of Halal Essence**

The existence of halal certificates is a government policy for MSMEs. Mazmanian and Sabatier in Leo Agustino (2008: 139) defined the implementation as "Implementation of basic policy decisions, usually in form of laws, but can also take the form of important executive
orders or decisions of judiciary. The decision typically identifies the problem addressed, clearly states the goals or objectives to be achieved, and various ways to structure or manage the implementation process.

There are various models implementation of halal certification. Views on implementation model of halal essence. The existence of regulations regarding halal is still the basis for Muslims to get legal certainty for food products circulating in society. However, in practice there are still many entrepreneurs who have not taken care of halal certification, there are even rogue companies that include a halal label on their products even though the validity period of certificate has expired and in other cases, there are stalls/restaurants that write that their food is guaranteed to be 100% halal, but there is no halal certificate.

A halal certificate is a written fatwa (statement) of Indonesian Ulema Council (MUI) which certifies the halalness of a product in accordance with Islamic shari'a. The validity period is 4 years and must be renewed when expired. The purpose of halal certification is formal legal recognition that products issued comply with halal requirements.

RESEARCH METHODS

The research method is qualitative. The paradigm used is non-positivist, especially critical theory. This research is limited to disclose the halal certification essence elements understood and implemented by consumers, producers, business partners and policy holders, especially in East Java Province. This research takes a setting in East Java Province as one largest provinces in Indonesia which has many industrial areas so it is very supportive in determining informants and research clusters based on MSME industry groups.

The informants are selected based on purposive sampling, with following criteria.

1. The main informants are East Java MSME actors who are Muslim.
2. Key informants know and have various basic information needed in research.

Key informants include BPJPH, halal center, LPH and MUI.

A domain analysis is done to get the classification of results of each research result according to purpose. The qualitative research process starts from a very broad matter, then focused and expanded again. There are stages of data analysis done in qualitative research, namely domain, taxonomy and componential analysis.
RESULTS AND DISCUSSION

Implementation Model of Halal Certification Essence in MSMEs

The implementation of halal certification essence to MSMEs in East Java is done into three stages, namely preparation for halal certification, halal certification process, and post-halal certification. Preparation for halal certification is a very important point as the key success to next stage. Likewise, the post-halal certification process is clear.

The model implementation of halal certification essence to MSMEs in East Java uses qualitative analysis with Miles and Hubberman's analysis to explore the results of interviews with informants. The model implementation was obtained from research conceptual framework which was developed with several aspects and units of Husserl's Transcendental Phenomenology analysis, namely 1) Intentionality; 2) Noema and Noesis, 3) Intuition, and 4) Intersubjective which analyzed with aspects of model implementation the halal essence, namely MUI regulations regarding Halal Certification, Producer Aspects in Halal Essence, namely HR competence in understanding halal certification and general obligations in registration of halal certification and MSMEs awareness efforts with socialization.

The implementation model of halal certification essence to MSMEs in East Java is explained by existence of MUI regulations, aspects of producers, guidelines and supervision of halal MSMEs and awareness of MSMEs to get halal certification. The findings of the implementation model of halal certification essence for MSMEs in East Java are explained below.

The implementation of halal certification essence to MSMEs in East Java for products that are not labeled as halal makes Muslim consumers worry about the product halalness. They difficult to choose which products are truly guaranteed to be halal according to Islamic law. Government is very concerned about the products that are truly halal; therefore Law Number 33 of 2014 concerning Guarantees for Halal Products was issued.

The implementation of halal certification essence is explained from results of a qualitative analysis using Hussel aspects. Table 2 shows the analysis results of halal certification essence from producers perspective at MSMEs in East Java.

<table>
<thead>
<tr>
<th>No</th>
<th>Aspect</th>
<th>Results of Analysis</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Deliberation element</td>
<td>This aspect explains MSME awareness of the importance of halal certification, sources of information on halal certification, beliefs, function of halal labels, halal certification registration process but the halal certification essence is still lacking because of reason that MSMEs are not aware for the importance of halal certification</td>
</tr>
</tbody>
</table>
The analysis results of noema noesis aspect as indicated by attitudes of MSMEs regarding halal certification, motivation, consumer doubts about producers, the advantages of halal certification, how to convince consumers and responsibility of MSMEs towards the rules, show that noema noesis aspects regarding the halal essence in MSMEs are still not can increase the meaning of halal certification for MSMEs.

Table 2 shows that halal certification essence from producers perspective in MSMEs in Java is still relatively low level because there are still many actors not have certificates even though they understand importance of halal certificates for MSMEs. It explains that theoretically regarding halal and haram certificates refers to first basis established by Islam, namely the origin of something created by Allah is halal and permissible.

The implementation of halal essence also concerns on the importance of halal label as contained in Halal Product Guarantee Act, namely to provide comfort, security, safety, and certainty of availability of halal products for public in consuming and using products and increasing added value for MSMEs to produce and selling halal products.

Certification is the process to acknowledge the halalness of a product in UUJPH issued by Halal Product Guarantee Agency (BPJPH) based on a written halal fatwa issued by MUI. Halal certification is an obligation for all business entrepreneurs. Article 4 UUJPH states that products that enter circulate, and trade in Indonesian territory must be halal certified. The obligation to certify halal in UUJPH has been in force since October 17, 2019. Business actors must put a halal label on their products that have been certified halal by MUI and if they do not comply with this provision, the consequences will be in form of administrative sanctions and even criminal sanctions for violations with a threat of a maximum of 5 (five) years) or a fine of up to IDR 2,000,000,000.00 (two billion rupiah) (Articles 41 and 56 UUJPH).

The analysis results on implementation of halal essence from producers perspective with Hussel's phenomenology is based on element of intentionality, noema noesis, rationality and intersubjectivity in Husserl's phenomenological conception. It is a simple concept or approach. The philosophical assumption that underlies phenomenology is an in-depth discussion of all forms of human experience. The philosophical assumptions held lead to same argument that phenomenology is rooted in study of one's life experience, the experience
explored is "conscious" and development of a description of essence, is not an explanation or analysis.

Deeper philosophical assumptions of phenomenology explain the humans life experiences in an awareness (Hasbiansyah, 2008). This approach begins with subjective openness. That is, the subject opens himself to various things that appear or appear. The subject allows the phenomenon to flood his mind. Then the subject dives deeper into what comes to him through his consciousness. This process can only be done by conducting intersubjective dialogue.

A phenomenologist must be open to all realities. Phenomenologist always tries to get a deep understanding, and then make sense of that reality. It would be difficult to use phenomenology as a truth-seeking approach, if the individual has closed the minds. The openness of a phenomenologist will prevent him from quickly evaluating or concluding. The phenomenologist postpones his justification of a reality in advance. The openness of a phenomenologist is an extension of philosophy without prejudice, as expressed by Stewart and Mickunas (Creswell, 2015). The previous theories, preconceptions or assumptions are set aside first. This was named the epoch by Husserl. Justification is made when reality is saturated or when reality repeats what has been revealed before. This is the natural process of phenomenological approach.

These philosophical assumptions are related to conscious intentionality and rejection of subject-object dichotomy. Conscious intentionality refers to phenomenological focus that directs awareness to objects. The researched object is a phenomenon. Phenomenological studies will focus on uncovering the subject’s experience of a phenomenon and how the subject experiences that experience. Kamayanti (2016) calls it "To "I-an"" the subject. Furthermore, phenomenology is based on philosophical assumptions to reject the subject-object dichotomy. The reality of objects is only understood in terms of individual experience (Creswell, 2015). Reality cannot be separated from subject. Phenomenology talks about the subject’s awareness when experiencing a phenomenon. Stewart and Mickunas also said that a writer who writes or uses phenomenology does not forget to review the philosophical assumptions that underlie the phenomenological approach.

This study results are consistent with Ester et al (2020) which explained that understanding of halal certification means a written MUI fatwa declaring the halalness of a product in accordance with Islamic law through detailed examination by Research Institute for Food, Drugs and Cosmetics, the Indonesian Ulema Council (hereinafter abbreviated as LPPOM
MUI). The regulation for users of halal products in Indonesia has two interrelated issues, namely certification and labeling. Labels in Government Regulation Number 69 of 1999 concerning Labels and Advertisements are any information regarding food in form of pictures, writing, a combination of both or other forms that are attached to food, inserted in affixed to or are part of food packaging which is easy to see and read.

The findings shows that halal certification essence in terms of producer's perspective on MSMEs in East Java are based on behavioristic theory which focuses on role in explaining human behavior of MSME owners and occurs through stimulus to create a reactive behavior relationship (response) in mechanistic laws. This theory explains that halal certification essence in terms of producer's perspective on MSMEs in East Java depends on behavior of MSME owners, who most importantly believe that halal certification is needed in development of their business.

Implementation Model of Halal Certification Essence for MSMEs in East Java

The implementation model is mechanisms and processes that can be applied to MSMEs to explain the following aspects.

MUI Regulation on Halal Certification

The halal essence model for MSMEs is based on existence of Halal Product Guarantee regulations, Law Number 33 of 2014 on Halal Product Guarantees and Law Number 11 of 2020 on Job Creation mandates in Government Regulation. PP 39 of 2021 on Implementation of Guarantees for Halal Products is a regulation to implement the mandate of Law Number 33 of 2014 on Guarantees for Halal Products and Law Number 11 of 2020 on Job Creation.

Based on results of interviews with informants, it was found that three informants said that MUI regulations regarding halal certification were regulations made by MUI to declare whether food products were halal or not, moreover food products. MUI recommendations request that inclusion of halal certificates on product packaging be an obligation for MSME producers, not just a voluntary effort. Apart from satisfying consumers, on other hand they can also improve the quality of their products in local and international markets. Having a halal certificate and sign can be a standard measure of quality of food products for producers. The hope of consumers is that after seeing the label they can perceive whether the product is in accordance with their wishes and is safe for consumption, and also does not violate the norms or teachings of belief (religion).
Producer Aspects in Halal Essence

The halal essence model for MSMEs is inseparable from the role of producers. MSMEs (Micro, Small and Medium Enterprises) are a very productive special unit that is useful and can be tried by individuals or business entities in every field of economy. The growth of MSMEs continues to be rapid in the city of Jombang which makes MSME players have to be able to compete in the market. MSMEs can be an alternative choice for the community to improve the economy, by trying small businesses. Industrial growth in Indonesia is one that regional government is trying to improve the national economy, considering that its business activities cover almost all business fields. The government has imposed mandatory halal certificates for products that enter, circulate and trade in Indonesia.

The implementation model of halal certification essence to MSMEs in East Java in producer aspect includes the competence of MSMEs and obligations of producers as follows.

1) HR competence in understanding halal certification

HR is not only production tools, but motors and final results implementation of production and organizational activities. HR has an important role in ensuring the development of every organization, where HR is a vital asset in a large and small scale organization. HR in every organization is a determining factor for the success of the organization. Likewise with micro businesses, HR competencies also have an important role in the development of these businesses including halal certification for MSMEs.

2) GENERAL Obligations in Registration of Halal Certification

MSME business actors are defined as individuals or business entities in form of legal entities or non-legal entities that carry out business activities. While the industry is defined as the activity of processing or processing goods using facilities and equipment. When combined with the word “food and drink”, the food and beverage industry is the activity to process food and drink using facilities and equipment.

MSMEs Awareness with Socialization

The dissemination of halal products by the government to MSMEs was explored from various interview in the field. LPPOM MUI East Java Province continues to disseminate halal certification to Micro, Small and Medium Enterprises actors. This is done as an institution's responsibility to remind and provide understanding to producers and business actors, and the general public as consumers about the importance of consuming halal food. Especially with Law No. 88 of 1999 on consumer protection for what they consume.
Table 3. Results of Classification Analysis Model for Implementation of MSME Halal Certification.

<table>
<thead>
<tr>
<th>No</th>
<th>Domain</th>
<th>Classification Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>MUI Regulations on Halal</td>
<td>MUI Regulations on Halal Certification are made by MUI to declare whether food products are halal or not, moreover food products</td>
</tr>
<tr>
<td></td>
<td>Certification</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Producer Aspects in Halal</td>
<td>The HR competence that is most constrained is the IT skills of MSME actors</td>
</tr>
<tr>
<td></td>
<td>essence</td>
<td>GENERAL Obligations in Registration of Halal Certification</td>
</tr>
<tr>
<td></td>
<td></td>
<td>GENERAL Obligations in Registration of Halal Certification</td>
</tr>
<tr>
<td>3</td>
<td>Awareness for MSMEs awareness</td>
<td>Specialization Socialization from MUI, POM Agency, Health Office, to Department of Industry and Trade</td>
</tr>
<tr>
<td></td>
<td>in socialization</td>
<td>Socialization material</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Executor of socialization</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Outreach program</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Socialization problems</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Act socialization</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Prospects of halal certification</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Positive thinking about certification</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Relevant MUI procedures</td>
</tr>
<tr>
<td>4</td>
<td>Evaluation of fostered products</td>
<td>MSME product standards</td>
</tr>
<tr>
<td></td>
<td></td>
<td>MSME product deviations</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Standard deviation of preservatives</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Halal certification facility</td>
</tr>
<tr>
<td>5</td>
<td>MSME Training</td>
<td>MSME training on halal certification</td>
</tr>
<tr>
<td></td>
<td></td>
<td>MSME development rules</td>
</tr>
</tbody>
</table>

Source: Processed Data

The classification of analysis results is explained in Figure 2 below.

Figure 2. Classification of Analysis Results of Halal Certification Implementation Model

MSMEs registered with LPPOM MUI halal products in East Java Province are food and beverage products such as meatballs, bread and sponge cakes, restaurants, bottled drinking water, coffee and tea drinks. There are 197 MSMEs in East Java Province that have been certified, with details of 92 MSMEs have expired and 105 that are still valid. For MSMEs that
do not carry out an extension generally due to financial problems and indeed considers that it is no longer necessary to do it again on pretext that they have done certification before.

The implementation model of halal certification as the research output is shown in Figure 3 below.

![Figure 3. Model Implementation of Halal Essence](source)

Manufacturers can also know exactly what the preparations to get halal certification. MSMEs must know about access to information related to halal. MSME owners have a fairly complete picture of how to carry out halal production and how to go through the halal certification process. The next preparation is comprehension to halal requirements, but then registering for halal certification. Other preparations are preparing halal materials, preparing halal product facilities, preparing a halal guarantee system and costs.

Apart from implementation of statutory mandates in realizing product halal protection, halal certification is also one of efforts in business development. Thus, education about halal certification for MSEs is important; bearing in mind that halal certification will be easier to do when there is halal awareness and a good understanding of halal certification among MSEs.

The MSMEs halal certification mechanism has a process where MSMEs obtains halal certification. Submission of halal certification can be done in two ways, namely the direct application through BPJPH or the regional Halal Task Force and electronically using the Halal Information System (SI-HALAL). Law No. 11 of 2020 on Job Creation (Ciptaker) provides opportunities for micro, small and medium scale businesses to develop their business. Apart from providing corporate legal entities in form of individuals (PT Perorangan), the Ciptaker Law also provides incentives for MSMEs to get halal certificates. MSMEs must have a
Business Identification Number (NIB) and be registered with Online Single Submission (OSS) of Investment Coordinating Board (BKPM) to apply for halal certificates. Submission of halal certification can be done in two ways, namely the implementation directly through BPJPH or the regional Halal Task Force. Second, electronic implementation submission using the Halal Information System (SI-HALAL).

Halal certification involves 3 parties, namely BPJPH, LPPOM MUI as a halal inspection agency (LPH), and MUI. BPJPH checks the implementation of halal product guarantees. LPPOM MUI checks the adequacy of documents, audits scheduling, conducting audits, holding auditor meetings, issuing audit memorandums, submitting minutes of audit results at MUI Fatwa Commission meetings. MUI through the Fatwa Commission determines product halalness based on audit results and issuing MUI Halal Decrees.

MSME business actors who support the obligation of halal certification as stated in Article 4 of JPH Law require government to immediately stipulate sanctions for business actors who do not certify their products. The expected sanctions can administrative sanctions by revocation of business licenses, and criminal sanctions. Based on types of products that must be halal certified, business actors only agree if the products that are required to be halal certified are limited to food, medicine, medicine and cosmetics. The reason is, if all products in general that are traded in territory of Indonesia are required to be halal certified, it is feared that this will limit the movements of business actors to work. MSME business actors must understand and fulfill the requirements for halal products as stated in JPH Law in an effort to develop their business.

The research results on model implementation support the results of Ratanamaneichata and Rakkarnb's research where halal certification recognizes safety and quality guarantees. That means the product preparation must meet standards which also include hygiene. Security and quality guarantees ensure that halal products are also clean, safe and well-maintained with good presentation and presented in right way, and are of good quality for everyone so that halal certification is very important for producers.

The awareness of MSMEs on importance of halal certification has two differences. MSMEs that aware the benefits of halal certification will immediately take care of halal certification for their products, but for those who do not have halal certification, they delay the arrangement due to various obstacles they face. The awareness of MSMEs to understand importance of halal certification interprets the awareness of MSMEs in obtaining halal certification for their products.
The attitude of MSMEs towards halal certification is explained by actions to get halal certification. Is arises when there is a change that is liked by public towards something. The attitude of MSMEs towards halal certification is measured by motivation to get halal certificates and doubts of consumers towards producers, the attitude of business actors towards halal certification, how to convince consumers and responsibility of MSMEs.

East Java MSMEs thoughts that halal certification should be prioritized. Halal ingredients are crucial in halal product chain. The availability of halal raw materials cannot be provided without the involvement of industrial world and halal-oriented producers. Moreover additional materials and auxiliary materials have been imported from abroad (imported) to meet the needs of domestic industry.

The interviews show that informants agreed to get permission first to put the halal logo on packaging, and most important thing was that they get halal certificate. The issuance of KMA Number 519/2001 put LPPOM MUI as the only institution with authority to examine and granting the halal certification in Indonesia. This decision is valid since November 31, 2001 until now.

The implementation model of halal certification essence to MSMEs in East Java is explained by existence of MUI regulations on the aspects of producers, guidelines and supervision for halal MSMEs and awareness of MSMEs in having halal certification. MSMEs that do not carry out an extension generally due to financial problems and indeed considers that no longer need certification based on pretext of previous certification.

CONCLUSION

models implementation of halal certification essence to MSMEs in East Java are in form of MUI regulations, MUI supervision, producer aspects and increasing awareness of MSMEs in halal essence in form of halal certification that supports the development of MSMEs. With this model, supervision and dissemination of halal certification will increase MSME awareness.

There are three theoretical implications of research results on understanding and applying the halal essence of MSMEs in East Java. First, the results show that understanding the halal essence is explained by awareness, attitude and mapping of MSMEs in halal essence so that theoretically the halal essence is related to Islamic branding theory where halal certification also increases consumer confidence. Second, this study results also show that understanding and implementation of halal essence hold Islamic religious values in producing based on Islamic religious teachings regarding halal food and beverages. Third, the basic idea
of research is based on branding theory and strategy in development of MSMEs so this research results can be applied to development of strategic knowledge, especially for MSMEs.

The practical implication of this study results is that East Java SMEs do not fully have awareness of halal essence so that there are still many who do not have halal certification so that they can follow government regulations in having halal certification to sell their products in Indonesia. This research also shows that SMEs need to prioritize obligations in meet halal certification to facilitate the business.

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