

Research Article

## Social Awareness of Entrepreneurs Towards Product Halal Certificates

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*Received: 7<sup>th</sup> July 2022; Revised: 19<sup>th</sup> October 2022;  
Accepted: 21<sup>th</sup> October 2022; Available online: 22<sup>th</sup> October 2022*

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### *Abstract*

*Food and beverage production are increasingly circulating, whether produced by large companies or small businesses. The public, as consumers, needs a guarantee of the hygiene and halalness of a product, so the Government requires a halal certificate that business actors must pocket before their products are sold. Of 479,621 new business units in East Java, 2,230 have halal certificates. The author's concern is analyzing business actors' social awareness toward halal certificates. The research was conducted with a qualitative approach, sourced from primary and secondary data. Data collection techniques are interviews, observation, and literature study. The study's results using the Social Awareness theory, which looked at the knowledge, attitude, and action aspects, found that business actors' knowledge of halal certificates and procedures was well established. However, in terms of attitudes and actions towards halal certificates, the products differed due to external factors, namely costs and management complexity. Business actors will be proactive if obtaining halal product certificates is carried out efficiently and at low costs. Even producers admit they want to avoid taking care of if they have to use personal costs. Another factor that supports the social awareness of business actors is the assistance of facilities from the Surabaya city government through the Department of Trade, both technical assistance and costs.*

**Keywords:** *Social Awareness; Entrepreneurs; Halal Certificate; LPPOM-MUI*

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**How to Cite:** Darmadi, D., Pertiwi, V.I., Reviandani, O. (2022). Social Awareness of Entrepreneurs Towards Product Halal Certificates. *Jurnal Ilmu Sosial*, 21 (2): 181-200 (doi: 10.14710/jis.21.2.2022.181-200), [Online]

**Permalink/DOI:** <https://doi.org/10.14710/jis.21.2.2022.181-200>

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## INTRODUCTION

Governments worldwide are increasingly recognizing the positive impact of new business creation at the employment level and the competitive advantage that small companies can bring to the market. Moreover, while entrepreneurship provides benefits in terms of social and economic growth, it also offers benefits in terms of individual fulfillment, with entrepreneurship breaking through class, age, gender, sexual orientation, and race (Cooney, 2012). The entrepreneurial spirit of the community, plus Indonesia's demographic bonus, has increased entrepreneurs not only in big cities but also in small areas in Indonesia.

The difficulty of employment opportunities makes entrepreneurship the right choice. In addition to being able to create jobs for the community around the place of residence, it is also able to encourage the Indonesian economy to be better, especially in the midst of the current pandemic situation. Following the results of research by (Kurniasari, Isbah, and Azca 2022) which found that COVID-19 had a more significant impact on trends in the world of work in Indonesia, most respondents predicted that work patterns would persist and develop. Entrepreneurs, including millennial entrepreneurs, are not only synonymous with start-up businesses or the like. The food and beverage product business are also top-rated, as evidenced by the current pandemic. Based on data from the Central Statistics Agency (BPS), in the second quarter of 2020, the food and beverage industry grew by 0.22 percent annually. In addition, the food and drink industry is expected to become the locomotive of Gross Domestic Product (GDP) growth.

Food and drink are basic physiological needs, so they are needed by humans, but from the point of view of Islamic law, to obtain or consume food and drink, it is required to meet the necessary conditions. One of the main requirements in Al Baqarah verse 168 is *Halalan Thayyiban*. Halal means that the food consumed does not contain any haram elements. The country of Indonesia itself, which has the largest Muslim population of up to 90%, automatically makes Indonesia's consumer market a huge one. For this reason, Indonesian consumers should get an apparent legal certainty for products circulating in the market, by the provisions of Islamic law by capable and credible institutions.

To act on this, the authority for Halal certification of a product is the Indonesian Ulama Council (LPPOM-MUI), responsible for the Assessment Institute for Food, Drugs, and Cosmetics. This institution will provide Halal Labels on products circulating in the market after passing the test. Although after the enactment of Government Regulation number 31 of 2019, the certification authority also provides opportunities for other institutions, such as community

organizations or universities, after being accredited by BPJPH. Conditions in the field today are still many products circulating in the market that do not have a halal certificate, including in the City of Surabaya. One sector that plays a critical and significant role in Surabaya is Micro, Small, and Medium Enterprises (MSMEs), which currently number 60,007 (2021). Where 30% is the food and beverage processing industry, and from the results of the initial monitoring of researchers on several processing industries, many still need halal certificates.

Previous research conducted by (Faridah, 2019) found that certification, which was initially the work area of MUI through LPPOM, was later transferred to BPJPH, an official government agency under the auspices of the Ministry of Religion. This transition was also followed by several changes to the certification flow and the parties involved in the certification process, meaning that new policies need to be socialized so that entrepreneurs have an overview of the administrative mechanisms. According (Warto and Samsuri, 2020) conducted research and found that Halal Certificates could provide a Better Documentation and Administration System for the Company. However, it is necessary to pay attention to management assistance by the Government or NGOs because entrepreneurs tend to only improve the system before obtaining the certificate. Research by (Ramlan and Nahrowi, 2014) found that halal certification and labeling are not only for safety for Muslim consumers but also provide economic benefits for producers, but the costs incurred by producers in managing halal certificates are also high, so the price of goods is increased and affects the selling value, but it does not explain how to increase employers' awareness of it.

The benchmark is the minimum number of business actors who have pocketed a halal certificate. Of the small industries engaged in food and beverage products in East Java which reached 479,621 units, only 2,230 units have been certified halal. Several food products are not halal-certified, with brands containing sarcasm in Surabaya, including *Nasi Goreng Jancuk*, *Mie Sexy*, *Mie Setan*, and *Mie Senewen*. It is said to contain the meaning of sarcasm because if categorized, each has a meaning, namely the swearing category for *Nasi Goreng Jancuk*, the pornographic category for *Sexy Noodles*, the category of supernatural or mystical things for *Mie Setan*, and the category of losing common sense for *Mie Senewen*.

The novelty in this study emphasizes increasing awareness of halal entrepreneurs facilitated by the Surabaya city government. In addition, this study focuses on the awareness of entrepreneurs in the suitability of carrying out production procedures following the halal certificate standard from LPPOM-MUI because entrepreneurs who obtain facilities and facilities from the Surabaya city government should maintain this responsibility by organizing

production according to standards. The low awareness of the importance of halal certification is also found in packaged food and beverage products circulating in the city of Surabaya, so halal certification for food and beverage products in the city of Surabaya is a serious concern, considering that business actors are the pioneers of efforts to create a sense of security and assurance to consumers of an item on the market. However, this can be caused by several factors, which the authors will examine in more detail.

A halal certificate is an MUI fatwa stating the halalness of a product by Islamic law, providing halal certificates for food, medicine, and cosmetics to protect Muslim consumers against non-halal products. A halal certificate is the right of Muslim consumers who must receive protection from the state. According to (Syafriada 2016). The purpose of including the halal logo on food and beverage products is to protect the rights of Muslim consumers against non-halal products. Islamic law provides legal certainty to Muslim consumers that food and beverage products are genuinely halal. Therefore, Muslim consumers will not hesitate to buy food and beverage products because there is a halal logo on the packaging of food and beverage products, and it prevents Muslim consumers from products that are not halal.

Meanwhile, regarding the position of Halal Certification (Agus, 2017), the position of halal certification in the National legal system in Indonesia has a central position because halal certification is enshrined in Law Number 33 of 2014 concerning Guaranteed Halal Products, which is a legal system is part of the legal system. , namely, legal substance that has legal force and certainty as well as imperative. Moreover, this is an effort to protect consumers in Islamic law. Then according to (SEGATI 2018), The Perception of halal certification contained in Aqiqah Nurul Hayat's Catering has a relationship and partially has a significant effect on the Perception of increasing company sales.

From some of the research results presented above, it can be found that the benefits of halal certification not only have an impact on consumers on the fulfillment of safety guarantees in consuming a food and beverage product but also have a positive impact on entrepreneurs, especially in increasing sales, due to the trust from consumers. Public. On the other hand, this advantage is not a concern of many entrepreneurs, as evidenced by research results (Syafriada, 2016). Unfortunately, there are still many food and beverage products circulating in the community that does not include the halal logo, or the halal logo is still in doubt Products that do not have a halal logo are not necessarily haram, as well as products that have a halal logo are not necessarily also halal, because perhaps that the product is not halal. Based on several cases, such as the inclusion of a fake halal logo by cooking oil production in Banten, which has

been arrested by the police (30/3/2022). Likewise, in other cases, such as Mixue ice cream, which does not yet have a halal logo even though it has been submitted since 2021, the Mixue party admits that it does not use haram ingredients (21/07/2022).

In Islamic law, what is said to be halal is not only the substance but also starting of the production process from upstream to downstream. It must be free from substances that are forbidden by Islamic law. Halal product storage must not be adjacent to non-halal products, meaning that the storage area must be separated from non-halal products. Likewise, tools to process halal products may be used separately from non-halal products. Research results from (Maryati, Syarief, and Hisbullah 2016) regarding the obstacles to obtaining halal certification food, MSMEs in Jabodetabek are micro-enterprises that do not have proper production facilities and produce using simple technology machines. The MD distribution permit is an obstacle for frozen food SMEs applying for a halal certificate.

Some of the results of the literature review that the author did, which have complete similarities with the title of this research, have yet to be found because many research results look at consumer concern for the halal products they buy. In contrast, this study will examine how concerned entrepreneurs, especially millennials, provide a taste guarantee—safety and trust in consumers through halal certification. Production activities are upstream of a series of economic activities, whereas consumption becomes downstream. All production involves some things related to humans and nature. As John Stuart Mill put it, "humans can only move matter, not create it." According to (Arif and Amalia, 2010), Producer behavior is an activity in the form of finding, allocating, and processing resources into output to improve and provide benefits for fellow human beings.

Production in conventional economics is intended to provide an understanding of companies buying inputs for production and selling outputs or products. Production theory also explains the behavior of producers in maximizing profits and their production efficiency. Maximizing profits or production efficiency will not be separated from two things. Namely, the structure of production costs and revenue earned. Likewise, capital can be obtained from loans without compensation, with an exciting system or cooperation.

There are several principles of producer behavior put forward by (Dienillah, 2019), including:

- 1) Produce in a halal circle. The principle of production that must be carried out by every Muslim, both ourselves and others, is to hold fast to what is permitted by Allah SWT. and not exceed the limit. A Muslim is not allowed to plant anything that is forbidden, any harmful plant. Besides being forbidden to plant dangerous plants, a Muslim is

prohibited from producing haram goods, whether it is forbidden to eat or use or collect, and goods that can damage one's creed, ethics, and morals.

- 2) Justice in Production The Islamic economic system applies justice and the principle of production equality according to each one's abilities without prejudice against others. The Qur'an allows mutually beneficial cooperation on the condition that it must be honest and fair and provide benefits for both parties.
- 3) Moral values and Islamic teachings, Metwally said that the difference between Muslim and non-Muslim companies is seen not only in their goals but also in their economic policies and market strategies. For example, Muslim companies will not allow producing goods and services that can damage morality and distance people from religious values . In addition, Islam teaches the existence of a priority scale (*dharuriyah, hajjiyah, and tahsiniyah*) in meeting consumption needs and prohibits excessive behavior. This prohibition also applies to all links in the production chain.
- 4) Must pay attention to socio-social aspects. Production activities must maintain only the social and environmental environment in broader society. The community also has the right to enjoy quality production. It is not only concerned with the interests of producers but also society as a whole. The distribution of benefits and production benefits for the entire community is the primary goal of economic activity.
- 5) Economic problems arise because of laziness and neglect to optimize God's gifts. Economic problems often occur not only due to the scarcity of economic resources but also due to laziness and neglect of optimizing all God's gifts, both in the form of natural and human resources. The Qur'an often explains that this attitude is an injustice or denial of Allah's favor. The impact of the principle of production is not just efficiency but broadly how to optimize economic resources within the framework of human devotion to God.

According to (Rogers, 1974), several sequential processes will occur before a person adopts a new behavior, namely:

- 1) Awareness (awareness), namely, the person is aware of knowing the stimulus (object) first.
- 2) Interest, that is, people are interested in the stimulus.
- 3) Evaluation, considering whether or not the stimulus is good for him. This means that the respondent's attitude is even better.
- 4) In Trial, people have started to try new behavior.



- 5) Adoption, the subject has behaved differently according to his knowledge, awareness, and attitude toward the stimulus.

If the acceptance of a new behavior or the adoption of behavior through a process like this is based on awareness, knowledge, and a positive attitude, the behavior will be long-lasting. On the other hand, if the behavior is not based on knowledge and awareness, it will not last long. According to the Merriam-Webster Dictionary, self-awareness is the quality or state of being aware: knowledge and understanding that something is happening or exists. Meanwhile, Abraham Maslow, in his Humanistic Theory quoted from (Pearson & Podeschi, 1999), suggests that self-awareness is understanding who we are, how to be ourselves, what potential we have, what style we have, and what steps to take. What do you take, what do you feel, what values we have and believe in, and where is our development going?

### **Awareness Indicators**

According (Soekanto, 2013) states that there are four indicators of awareness, each of which is a stage for the next stage and points to a certain level of awareness, starting from the lowest to the highest, including knowledge, understanding, attitudes, patterns of behavior (action). Benjamin Bloom (1908) divides human behavior into cognitive, affective, and psychomotor domains. In its development, this theory was modified into knowledge, attitude, and practice (action). Suppose you look at some of the theories above. In that case, the analytical knife that will be used in this study related to the awareness of millennial entrepreneurs towards halal certification is the indicators put forward by (Notoatmodjo, 2003) regarding awareness:

#### **a. Knowledge**

Knowledge results from knowing and occurs after people sense a particular object. Most human knowledge is obtained through the eyes and ears. Knowledge is a critical domain in shaping one's actions. Experience and research prove that behavior based on knowledge will be more lasting than behavior not based on knowledge. The knowledge covered in the cognitive domain has six levels: Know is defined as remembering a material that has been studied previously. People who already "know" must be able to define the material or object. Understanding is the ability to explain known objects and interpret the material correctly. Application is defined as the ability to use the material that has been studied in real situations or conditions. The analysis is a component to describe the material or an object. Synthesis refers to an ability to compile new formulations from existing formulations, for example, compose, plan, summarise, adapt, and so on to an existing theory or formulation. Evaluation relates to the

ability to justify or evaluate a material or object. The assessment is based on a self-determined criterion or using existing criteria.

**b. Attitude**

Attitude is a reaction or response still closed from a person to a stimulus or object. Newcomb, an expert in social psychology, stated that attitude is a readiness or willingness to act. Attitude is not yet an action or activity but is a predisposition to the action of behavior. Attitude consists of various levels, namely, Receiving; receiving means that people (subjects) want and pay attention to the given stimulus (object). Responding, Giving answers when asked, doing, and completing the given task (regardless of whether the work is right or wrong), shows that people accept the idea. Appreciating (valuing), Inviting others to work on or discuss a problem indicates the third level of attitude. Finally, responsible (responsible), Responsible for everything that has been chosen with all risks, is the highest attitude. Action, The final process of awareness, in this case, is action, which consists of Perception (Perception), Guided response (guided response), Mechanism (a mechanism), and Adoption (adoption).

**RESEARCH METHODS**

This study used qualitative research methods. The research object is the awareness of business actors with products circulating in the market towards halal certification. The data collected are the results obtained through data collection such as observations, interviews, literature studies, and existing archives/documents or written literature closely related to the research title. Interviews were conducted involving informants, namely entrepreneurs in the city of Surabaya consisting of the owners of DD Sambel Satoe, Ayu Cookies, and Misscrip. The data collected were analyzed descriptively and qualitatively by describing and explaining the research results obtained in quantitative and qualitative data through words and sentences. The data analysis process was carried out through the stages of identification according to the research objective group, managing and interpreting the data, then abstracting, reducing, and checking the validity of the data. The analysis results are then categorized and discussed according to the research concept.

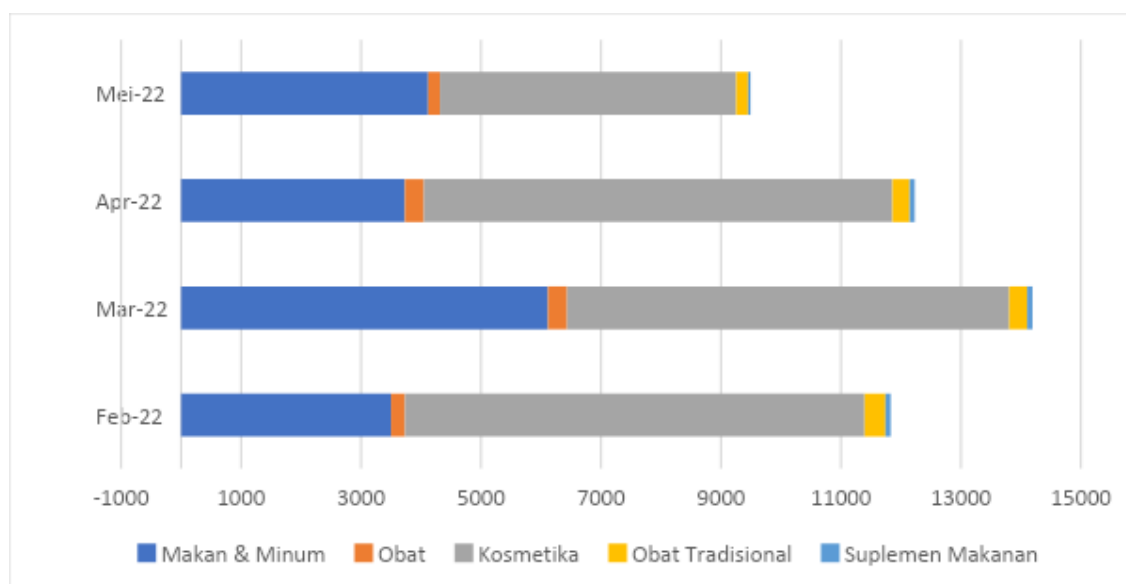
**RESULTS AND DISCUSSIONS**

Food and drink products produced by large companies and Micro, Small, and Medium Enterprises (MSMEs) are massive in progress towards empowering people who can take advantage of their potential and guarantee the potential of the Indonesian market. Food and



drink products are widely circulated in big cities and even in small towns, coupled with government policies that always pay attention to the creative industry and MSME products, causing the proliferation of food and beverage products. For this reason, the Government is also fully aware that the food and beverage industry is projected to remain one of the mainstay sectors to support manufacturing growth and the national economy next year. The critical role of this strategic sector can be seen from its consistent and significant contribution to the gross domestic product (GDP) of the non-oil and gas industry, as well as increasing investment realization.

Moreover, in emergency conditions such as the COVID-19 pandemic, the demand for food and beverages remains high. As a result, it can be seen that the Gross Domestic Product of the food and beverage industry grew positively by 3.49 percent in the third quarter of 2021, in line with the national economic growth, which returned to positive growth, touching the number 3.51 percent. In addition, the role of the food and beverage industry in accelerating the national economic recovery is also shown by the increasing contribution of the food and beverage industry GDP to the GDP of the non-oil and gas processing industry, which reached 38.91 percent in the same period. As a result, the distribution of food and beverage products in the market is growing yearly, although, in certain months, it is very dynamic. The following is data on the distribution of food and drink products and other products.



**Figure 1.** Product Circular Statistics 2022

*Source: BPOM, 2022*

According to Figure 1, from February to May 2022, there were 150,701 Food & Beverages, 227,371 Cosmetics, 4,365 Food Supplements, 15,317 Traditional Medicines, and 22,067 Drugs that received distribution permits from BPOM. Looking at the data, food, and beverage products are still low compared to cosmetics, while human physiological needs such as food and drink are the main things for survival. For this reason, it is necessary to increase public awareness regarding halal-certified food and beverage products and government activity in supporting and encouraging business actors to register their food and beverage products.

The growth of MSMEs has also enlivened the market, especially in East Java. Based on data from the Central Statistics Agency for East Java Province in 2020, the manufacturing sector is the primary supporting sector for the East Java economy, with the most significant contribution of around 30% in 2019. Gross Regional Domestic Product (GRDP) in the manufacturing sector showed a growth of more than 4% over the last five years. The food processing industry made the most significant contribution, namely Rp. 248.7 trillion, with a growth of 14.51%, including MSMEs in the food sector. Based on these data, the MSME sector is the mainstay sector in East Java, so the role of MSMEs in the development process in East Java deserves more attention.

The marketing reach of processed food and beverage commodities is the local market in East Java, including Surabaya, between regions outside East Java (exports between regions), and a small portion is exported abroad. As one of the efforts to strengthen product competitiveness, the Government of East Java Province has the One Pesantren One Product (OPOP) program to empower students, pioneered by the pesantren-preuner by Nahdlatul Ulama East Java. In addition, the Surabaya City Government has also launched an innovation program for assisting MSMEs with the name Hero of the Economy. This program focuses on developing and empowering homemakers from low-income families who want to develop MSME businesses.

This program seeks to assist MSMEs, from the early stages of mental guidance, product manufacture, packaging, and marketing, to promotion. As a result, the number of MSMEs participating in Economic Heroes and Young Fighters continues to grow significantly. For example, in the first year of 2010, the number of MSMEs participating in the training was at most 92 MSMEs. Meanwhile, until 2017, the number reached 8,565 MSMEs. In addition, there is also a mentoring program for students pioneered by Big Indonesia. BBPOM Surabaya encourages participation in helping to create MSMEs that can produce competitive products to

improve the people's economy by creating an innovative mentoring program called the Movement for Monitoring People's Business Growth GEMPUR JATIM.

With the rise of food and beverage products circulating in the community, demands for product safety guarantees have also increased in terms of hygiene and halalness. Several developed studies show relevant results related to halal certification and consumer loyalty to buy a food or beverage product. For example, research from (CHEN and TSENG 2010) shows that certified and uncertified consumption products in the market significantly affect people's purchasing or consumption patterns. Furthermore, research results from (Susetyohadi et al. 2021) show that halal certification positively correlates with consumer loyalty in buying food and beverage products. In addition, halal certification is one of the main factors consumers must consider before buying a food and beverage product. Another study conducted by Bank Indonesia (BI) and the Center for the Study of Brawijaya University resulted in a summary of disputes between food and beverage producers without including halal certification and consumers. These cases include:

- 1) In the case of Carbonated Drinks (1996), there was public unrest about beverage products that were issued because they did not have halal certification and were included in every news report in the mass media at that time,
- 2) The case of Sausage (1997), which contained pork, was widely circulated in the market without warning the Muslim population. This case resulted in an audit conducted by BPOM and a penalty.
- 3) In the case of flavoring products (2001), there was criticism from the public against one of the flavoring products, which turned out to contain pork enzymes.
- 4) In The case of Noni Juice (2001-2002), this product was previously popular with the public but was constrained by not having halal certification. So, people have anxiety about the halalness of the product.

The cases above are some examples of the behavior of people's demands for halal food and beverage products because the number of Indonesian Muslims is relatively large. However, the halalness of a legalized product in the form of halal certification is also a demand for non-Islamic countries (halal.go.id, 2019). For example, European countries noted an increase in demand for halal products by an average of 15% each year. France has a particular term to

describe the massive growth of halal products in its country, namely the "Baby Boom Du Halal Era."

Furthermore, as a country with a minority Muslim population, the Philippines also shows an increasing demand for halal products as one of the guarantees. For hygiene and product quality. The halalness of a product reflected in the halal certification on the packaging is a form of social responsibility for entrepreneurs, including MSMEs. However, the problem of halal certification does not only revolve around consumers and producers but the Government, as a facilitator of halal certification, is obliged to work together to support the promotion of halal certification on MSME products and provide a sense of security for citizens regarding food intake and food production (Yaumidin 2009).

The Government's effort to realize the community's demands as consumers for the assurance of halal food and drink products is to require that all circulating food and drink products be certified halal. Guaranteed in Law number 33 of 2014 concerning halal product guarantees and Government Regulation No. 39/2021 concerning implementing the Halal Product Assurance Sector. Halal Certificate (SH) is a document issued based on a written fatwa of the Indonesian Ulema Council (MUI), which certifies the halalness of a product by Islamic law. In addition, this Halal Certificate/Halal Decree must obtain a permit to include a halal label on product packaging from the authorized government agency.

In 2021, the Ministry of Religion will create a Sehati program (Free Halal Certification) which targets 15 million micro and small businesses (UMK) to get halal certificates within two years. Even until November 5, 2021, or 58 days since the launch of the Sehati program, the BPJPH Halal Information System has only received 24,308 applications for halal certification from MSE players consisting of 19,209 micro-businesses and 5,099 small businesses. If calculated, the average MSE halal certification application reaches 419 per day. With this average, in 2 years, only achieved at least 305,870 halal certifications for MSEs or only 2.03 percent of the target.

The Surabaya city government, through the Trade Office 2014, has been intensively facilitating Micro and Small Enterprises in obtaining halal certificates; even the Surabaya City government has allocated it in the Regional Revenue and Expenditure Budget (APBD) for this, considering the costs required in obtaining the certificate. Halal starting from 2-12 million. The

conditions set by the Surabaya City Trade Office for Business Actors so that they can be facilitated are:

1. KTP Surabaya
2. Family Card
3. Trading Business Permit (SIUP)
4. Capital below 50 million
5. Production activities must be in Surabaya

This research was conducted on three MSME business actors in the city of Surabaya, which was business actors who participated in the halal certification facilitation program by the Surabaya City Trade Office, even though the three of them had done a one-time renewal of the halal certificate, which was also through the Surabaya City trade office. Based on information from traders, the trade office makes it very easy to process halal certificate activities because traders do not need to go here and there to manage or visit the office. After all, all documents are picked up by the Surabaya city trade office.

### **Knowledge of Halal Certification**

Business actors who became informants in this study knew there was a halal certification procedure for products before distribution. Plus, product marketing could not be carried out widely or penetrate supermarkets if they did not have a halal certificate from LPPOM-MUI. Based on Shifa's experience as the owner of Sambel Dede Satoe, he initially sold products to be entered into the supermarket. He was rejected because he did not have a halal label. Other manufacturers, from the beginning, already knew the existence of a halal label that must be owned by food and beverage products.

The limited information available then made MSME business actors only know about the halal certificate without understanding which institution issued it and the procedures. Detailed information on halal product certification will be obtained when they receive socialization from the Surabaya city government through the trade office. At first, the business actors were pessimistic about the existing procedures, but because of the facilitation program from the Surabaya city government, traders were helped.

Currently, business actors are very familiar with the detailed procedures for managing halal certificates. They even know that the authority for halal certification is no longer with the Indonesian Ulema Council (MUI) but with the Halal Product Guarantee Agency (BPJPH) of the Ministry of Religion. Therefore, the following are business actors' procedures and requirements for obtaining halal certificates.

1) Applying for halal certification

Business actors apply for halal certification by completing documents. The documents to be prepared are: Data on business actors, Names and types of products, a List of products and materials used Product processing Documents of the halal product guarantee system.

2) Checking the completeness of documents and establishing a halal inspection agency

Then BPJPH checks the completeness of the documents and establishes a halal inspection agency. This process takes two working days.

3) Checking and testing the halalness of the product

After that, the LPH checks and tests the halalness of the product, and the process takes 15 working days. In this product halal inspection activity, a visit is carried out or a visit to the manufacturer to see raw materials and additional materials as well as how and where the process of purchasing and storing these raw materials, even the producers of raw materials will also be inspected if needed to ensure they are halal.

4) Determining the halalness of the product through the halal fatwa trial

Furthermore, after the inspection, the party determining the product's halalness is the MUI through the fatwa trial. The process of determining halal products at MUI takes three days.

5) Issuing Halal certificates

After being determined by MUI, return to BPJPH. Furthermore, BPJPH will issue a halal certificate. The process is one working day. So the total time required is 21 days.

### **Attitudes of Business Actors towards Product Halal Certificates Business**

Actors respond very well to the obligation of halal certification for their products. In addition to providing halal assurance to consumers, it also has a significant impact on product sales. Managing halal certificates by entrepreneurs is a form of customer orientation, in line

with the research findings (Farida, Pradhanawati, and Taufiq 2021) that customer orientation and innovation capability significantly affect marketing performance and innovation capability on competitive advantage. Although the business owners explained that before halal product certification, their production process prioritized the halal aspect, while the halal certificate document was a legal guarantee to consumers.

In principle, producers strongly agree that a product must be guaranteed halal before being circulated; it is just that the differences in attitudes raised by business actors who are informants in this study are driven by external factors, which means that there are factors from outside themselves so that they are different in taking a different attitude. Mrs. Evi, the owner of Ayu Cookies, considers the cost factor and the complexity of the bureaucracy if they have to take care of their halal certificate so that if they do not get facilitation assistance from the Surabaya city government, producers will not process halal certificates.

In contrast, Ibu Ila, the owner of the misscrip, knows the costs that must be spent reaching millions of rupiah in managing a halal certificate so that when using personal costs, the product price will be adjusted or increased as well. As for the Sambel producer, Dede Satoe, who has also obtained many business certificates and has even exported to the United States, feels he needs a halal product certificate at any cost and procedure. The outlet owned by sambel dede satoe also accepts food and beverage products for sale even though they do not have a halal certificate. The sambel dede satoe party invites the producer to take care of a halal certificate; this is a level of *valuing* or respect for the attitude aspect.

### **Actions of Business Actors Against Halal Certificates**

Based on the knowledge and attitudes possessed by business actors or producers in viewing halal certification as a guarantee for consumers, the actions taken by business owners are to participate in activities held by the Surabaya city government through the facilitation of halal certificates as well as training or workshops on halal product assurance which the trade office routinely holds. In addition, business actors play an active and cooperative role in supporting the efforts of the Surabaya city government as an MSME facilitator to obtain halal certificates.

Based on the recognition of research informants that the impetus to act in obtaining a halal certificate is the convenience provided by the Surabaya city government and complaints obtained from the public for products that do not yet have a halal label or certificate. The



production practices that have been carried out so far have also morally guaranteed the halalness of the product. Business actors in the halal certification process follow well, starting from the completeness of the documents that will be given to LPPOM-MUI. In the process of checking or supervision, visits are carried out cooperatively, showing all raw materials and additional materials used.

Nevertheless, some factors challenge or hinder the social awareness of business actors in obtaining halal certificates, namely the complexity of the bureaucracy in managing halal certificates. This complaint of business actors is the main factor that encourages producers not to take care of halal certificates. In addition, the cost factor is quite significant when personal costs increase product prices. The producers' complaints are because the product's selling price is becoming more expensive, and there is a fear of not selling it. Another inhibiting factor is that there are no strict sanctions against products already in circulation but do not have a halal certificate. The supporting factor for the social awareness of business actors to obtain a halal certificate is the local Government's support through training and assistance to administer and finance the halal certificate. In addition, the existence of moral awareness and sound legal knowledge makes producers want to register their products to obtain halal certificates.

The evaluation results based on indicators of social awareness show that entrepreneurs know about halal certificates and that halal certificates give high value to products. Based on the research results of (Khan and Haleem 2016), halal certification can be used as a product differentiation technique, increasing company/restaurant income and its selling power, especially to halal consumers. When planning to export, a Halal certificate will help ensure Halal consumers in the importing country, which the informant of this research, the owner of DD Sambel Satoe, has felt. Aspects of attitude, entrepreneurs, agree with the halal certificate of a product. Hence, entrepreneurs are very cooperative with the Surabaya city government, which provides easy administration, besides that the ministerial committee also affects the attitude of entrepreneurs toward obtaining halal certificates; this is in line with (Usman, Chairy, and Projo 2021) findings where religious commitment has a significant role in increasing knowledge and awareness. Finally, on the action aspect, entrepreneurs maintain the production process following halal assurance standards.

## CONCLUSION

The existence of a Halal Certificate for a product is the right policy. It is accepted by all levels of society, both consumers and producers, both large and small. Halal certificates provide moral and legal guarantees for the halalness of circulating food and beverage products. Micro, Small, and Medium Enterprises (MSMEs) in the city of Surabaya know the obligation of a product to obtain a halal certificate before being circulated or sold. Besides that, the response or attitude of business actors is also cooperative and active in managing product halal certificates where the management is facilitation by the Surabaya City Government through the Department of Trade, which is very helpful both from the cost and technical aspects.

Manufacturers also participate in training or workshops held by the Surabaya city government related to halal certification. However, the complexity of the management bureaucracy and the high cost is why business actors want to avoid taking care of their halal certificates. For this reason, the central Government must encourage local governments to schedule and allocate each fiscal year to facilitate and finance the halal certification of MSME products. Periodic supervision is needed to ensure the halalness of a production process.

## ACKNOWLEDGEMENT

We want to thank all relevant parties who helped, such as technical and financial assistance, especially the Research and Service Institute (LPPM) UPN "Veteran" Jawa Timur. In addition to the MSME business actors who became our informants, namely Sambal Dede Satoe, Misscrip, and Ayu Cookies, the JIS team was pleased to publish this article. Therefore, we declare this article Free from any influence.

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