

Perception of MSME Actors Regarding Halal Certification Obligations in Pekalongan

Khafida Nur Fadlilah¹, WidyaSilfiana², Helena Angel Likha³, Yuniar Tri Wulandari⁴
¹The State Islamic University of KH Abdurrahman Wahid Pekalongan, Indonesia, ² The State Islamic University of KH Abdurrahman Wahid Pekalongan, Indonesia, ³ The State Islamic University of KH Abdurrahman Wahid Pekalongan, Indonesia, ⁴ The State Islamic University of KH Abdurrahman Wahid Pekalongan, Indonesia

[1khafidha.nur.fadlilah@mhs.uingusdur.ac.id](mailto:khafidha.nur.fadlilah@mhs.uingusdur.ac.id),

[2widya.silfiana@mhs.uingusdur.ac.id](mailto:widya.silfiana@mhs.uingusdur.ac.id), [3helena.angel.likha@mhs.uingusdur.ac.id](mailto:helena.angel.likha@mhs.uingusdur.ac.id), [4yuniar.tri.wulandari@mhs.uingusdur.ac.id](mailto:yuniar.tri.wulandari@mhs.uingusdur.ac.id)

ABSTRACT: *This study aims to analyze the perceptions of Micro, Small, and Medium Enterprises (MSMEs) in Pekalongan towards the obligation of halal certification. Halal certification is an obligation for producers to guarantee the halalness of products consumed by the public, but its implementation among MSMEs often faces various challenges. This study uses a qualitative approach with an in-depth interview method with 25 MSMEs in Pekalongan. The results of the study show that the majority of MSMEs understand the importance of halal certification in influencing a person's purchasing decision. However, they face obstacles such as high costs, complicated processes, and lack of socialization and support from the government. In addition, there are also MSMEs who think that halal certification is not too urgent for their business, because there are no sanctions or penalties for those who do not carry out halal certification. This study recommends the need to increase socialization and support, as well as simplify the halal certification process to make it easier for MSMEs to fulfill these obligations.*

Keywords: *MSME actors, Halal Certification, Purchasing Decisions*

1. INTRODUCTION

The obligation of halal certification is an issue that is currently being widely discussed in the midst of Indonesian society. Especially the majority of Indonesian society is Muslim. This certification not only has an impact on compliance with religious law but also affects the competitiveness of local products.

The halal certification label on a product has a major influence on a person's purchasing decision. The purpose of halal certification is to ensure the halal status of a product as a form of fulfilling consumer rights. So this is important considering that the people of the city of santri (Pekalongan) will consider purchasing decisions on a product if the halal certificate label is not listed. The halal label provides economic benefits as a producer, including: (1) Can increase consumer confidence because its halalness is guaranteed, (2) Has a USP (Unique Selling Point), (3) Able to penetrate the global halal market, (4) Increases product marketability in the market, (5) Cheap investment when compared to the revenue growth that can be achieved.

The perception or view of MSME actors towards the obligation of halal certification in Pekalongan will determine the extent to which they can adapt and comply with the regulation. In more depth, this study will also look at the impacts, obstacles, and benefits that will be felt by MSME actors.

2. METHOD

The approach used in this study is qualitative, with the type of field research. In this case, the researcher goes directly to the location to observe the phenomena that occur directly. In addition, the type of research chosen is descriptive, which aims to describe an object, phenomenon, or social context in narrative form. The selection of research subjects was carried out using purposive sampling techniques. Meanwhile, data collection techniques used include observation, interviews, and documentation. The data analysis process was carried out both before and after data collection in the field, by applying the Miles and Huberman model. To ensure the validity of the data, this study uses source triangulation techniques.

2.1 Research Location

This research was conducted in Pekalongan City, Central Java. Pekalongan was chosen as the research location because it is a city with a Muslim majority population and has many MSMEs.

2.2 Samples and Sampling Techniques

The sample in this study was 25 MSME actors in Pekalongan selected using purposive sampling technique. The sample selection criteria are:

1. Owners or managers of MSMEs in Pekalongan who operate in the culinary or processed food product sector.
2. MSMEs that do not yet have halal certification or are in the process of obtaining certification.
3. Willing to be interviewed in depth.

2.3 Data collection

Primary data were obtained through in-depth interviews with 25 selected MSME actors. Interviews were conducted with structured question guides covering perceptions, constraints, and benefits of halal certification for their businesses. In addition, secondary data were also obtained from documentation, literature, and data from related agencies.

2.4 Data analysis

Data obtained from the interview results were transcribed and analyzed thematically. Thematic analysis was carried out by identifying, analyzing, and reporting patterns (themes) that emerged from the data. The stages of data analysis include:

1. Interview data transcription
2. Data encoding
3. Data categorization by theme
4. Interpretation and drawing conclusions

By using this qualitative research method, it is hoped that a deeper understanding can be obtained regarding the perceptions, obstacles, and benefits of halal certification for MSME actors in Pekalongan.

3. RESULT AND DISCUSSION

1. Perception of MSME Actors

Pekalongan, a city famous for its batik industry, is now facing new challenges in the world of micro, small, and medium enterprises (MSMEs). The halal certification policy required by the government has caused various reactions among MSMEs in this city. Their perceptions of this policy vary, reflecting the complexity of implementing halal certification at the grassroots level.

Most MSMEs in Pekalongan understand the importance of halal certification. They realize that in a Muslim-majority society, guaranteeing the halalness of a product is not only a religious obligation, but also a smart business strategy. Many see halal certification as a way to increase consumer confidence and open up wider market opportunities, even to the export market. Halal certification is an official aspect that must be owned by economic actors with a Muslim market share. Halal certification provides consumers with peace of mind about the products they consume. Indonesia, a Muslim-majority country, already has halal regulations in the form of legal products. One of them is in Law. No. 33 of 2014 concerning Guarantees.

The Halal Products discussed are:

- Halal certification obligations.
- Halal product assurance organizer.
- Provisions of the halal inspection agency.
- Provisions for halal product materials and processes.
- Procedures for obtaining halal certification.
- Supervision of halal product assurance activities.
- Community participation in guarantee activities and criminal provision. (Alfaini et al., 2024)

However, behind the understanding of the importance of halal certification, there are concerns that cannot be ignored. For many MSMEs, especially those on a micro and small scale, the halal certification process is perceived as a heavy additional burden. They are concerned about the costs that must be incurred to obtain certification, which for most MSMEs is considered quite burdensome for their business finances.

In addition to the cost issue, the complexity of procedures and administration is also a major concern. Many MSMEs feel that the certification process is too complex and time-consuming. They are worried that this will disrupt their already busy business operations.

However, there are quite a few MSMEs who welcome this policy positively. They see it as an opportunity to improve their production standards and product quality. For them, halal certification is not just about compliance with regulations, but also about increasing competitiveness in an increasingly competitive market.

The perception of MSME actors is also influenced by their level of knowledge and understanding of the halal certification process. Several MSME actors admitted that they still lack information regarding the procedures and requirements needed. This shows the need for more intensive socialization and education from the authorities.

MSMEs in Pekalongan also have hopes for the implementation of this policy. They hope for support from the government, either in the form of financial assistance, technical assistance, or simplified procedures. Many have voiced the need for a special scheme for MSMEs that takes into account their limited resources.

The success of implementing halal certification in Pekalongan will depend greatly on how the government and related institutions can bridge the gap between regulatory demands and realities on the ground. With the right approach, halal certification will not only be an obligation that must be fulfilled, but also a stepping stone for Pekalongan MSMEs to improve the quality and competitiveness of their products in a wider market.

2. Impact of Halal Certification of MSME Products

Halal certification has a significant impact on MSME products, both in terms of business, consumer trust, and export opportunities. Islam is the majority religion in Indonesia, especially in Pekalongan, even the city of Pekalongan is nicknamed the city of santri, this then becomes important in the consumer behavior of the Pekalongan community. Here are some significant impacts on MSME product certification:

- a. Increasing Consumer Confidence
 - Consumer Trust and Belief, Islam is the majority religion in Indonesia, consumers, especially Muslims, have stronger confidence in products that have halal certification. They feel safer and more comfortable consuming or using the product because it is in accordance with religious principles.
 - Brand Image Halal certification can improve the brand image of MSMEs as producers who care about quality and sustainability, not only in terms of raw materials, but also production processes that comply with halal standards.
- b. Access to Wider Markets
 - Domestic Market
With halal certification, MSMEs can penetrate a wider market domestically, especially in areas with a Muslim majority. This allows their products to be marketed in stores that only sell halal products, including large supermarkets.
 - Export Market
Halal certification also opens up opportunities for MSMEs to export their products to countries with Muslim-majority populations such as Malaysia, Indonesia, Saudi Arabia, and others. Many countries even make halal certification a mandatory requirement for product imports.
- c. Increasing Competitiveness
 - Competitiveness, Halal certification is an added value that increases the competitiveness of MSME products in the market. Products with halal labels are more in demand than products without such labels, especially in markets with Muslim consumer preferences.
 - Product Differentiation, Halal certified products can be a key differentiator in a highly competitive market. This gives MSMEs an advantage over competitors who do not have similar certification.
- d. Compliance with Regulations
National and International Regulations, Halal certification helps MSMEs to comply with government regulations related to product safety and suitability, which have become increasingly stringent in recent years. It also makes it

easier for MSMEs to take care of permits and other documents required for export.

- e. Product Quality Improvement
 - Production Standards, The halal certification process usually requires meeting certain standards in terms of cleanliness, production processes, and raw materials. This directly encourages MSMEs to improve the quality of their products so that they are not only halal but also of high quality.
 - Operational Efficiency, To obtain and maintain halal certification, MSMEs must follow stricter and more organized procedures and practices. This can lead to increased operational efficiency and better production management.
- f. Economic Impact
 - Increase Sales
With increased consumer confidence and access to a wider market, halal certification can drive increased sales of MSME products. This directly contributes to increased revenue and profits.
 - Partnership Opportunities
Halal certification opens up opportunities for MSMEs to partner with large companies that require raw materials or finished products that are halal certified.
- g. Cost and Process Constraints
 - Certification Costs, Although halal certification has many benefits, the costs and process to obtain it can be a challenge for MSMEs, especially those with limited capital. The certification process involving audits, changes to production processes, and administrative costs can be quite burdensome.
 - Certification Maintenance, Halal certification must be renewed periodically and MSMEs must continue to comply with halal standards. This means that there are costs and efforts that must be incurred continuously to maintain halal status.

Overall, halal certification can have a significant positive impact on MSMEs in increasing consumer confidence, expanding markets, and improving product competitiveness. However, it is important for MSMEs to consider the costs and efforts required in the certification process and its maintenance.

3. Obstacles and Benefits of Halal Certification for MSME Products

a. Obstacles to Halal Certification of MSME Products

Some common obstacles faced by MSMEs in the halal certification process include:

- Lack of Socialization
Based on interviews with MSME actors, they revealed that there are no institutions or agencies that provide guidance and socialization regarding the obligation of halal certification. In addition, the Ministry of Religion also noted that there are shortcomings in terms of guidance and socialization.
- Lack of Consumer Awareness
Low consumer awareness of micro-entrepreneurs is also an inhibiting factor, which causes a lack of motivation for entrepreneurs to register halal certification for their products. The certification process often involves complicated administrative procedures and requires complete documentation, which can be confusing for MSME owners.
- Certification Fees

The cost of obtaining halal certification can be a huge burden, especially for MSMEs with limited resources. Access to financing is a challenge for MSMEs. Often, banks prefer to finance large companies rather than MSMEs. Therefore, MSME actors need to understand the financing patterns that are appropriate to the types of commodities they produce.

- Technology Limitations
Limited technology and lack of access or ability to meet standards and perform required reporting can be problematic (Ulhaq et al., 2024).

b. Benefits of Halal Certification for MSME Products

Halal certification offers various benefits for Micro, Small, and Medium Enterprises (MSMEs), especially in the food industry. Here are some of the benefits.

- Product Quality Assurance
For MSMEs, maintaining product quality is very important to be able to compete in a large market like Indonesia. Halal certification serves as a guarantee that the products sold are of high quality. This certification shows that the product has gone through a strict inspection process, guaranteeing product quality and safety. This certification process involves quality control by the Indonesian Ulema Council's Food, Drug, and Cosmetics Assessment Institute (LPPOM MUI).
- Increasing Consumer Confidence
Having halal certification increases consumer confidence, especially Muslim consumers. This certification is often an important factor in consumers' decisions to buy culinary products. Halal certification ensures that the product is in accordance with Sharia standards.
- Unique Selling Point (USP)
Halal certification can be a Unique Selling Point (USP) that makes MSME products superior to competitors. With this certification, MSME products have guaranteed quality which is a special attraction for consumers. Having a halal certificate can be a Unique Selling Point (USP) that differentiates products from competitors in the market, providing attractive added value for consumers. Halal-certified products can strengthen the reputation of MSMEs as businesses that care about quality and compliance with sharia standards.
- Market Expansion
In today's digital era, MSME products in the culinary sector have the potential to reach a wider market, including the global market. Halal certification is a significant added value for products that want to penetrate the market with a majority of Muslim consumers. Halal certification opens up opportunities to enter the international market and local markets with a majority of Muslim consumers, expanding the reach of the product (A'yun, 2023).

4. CONCLUSION

Halal certification has a significant impact on MSME products in Pekalongan, a city with a Muslim majority population. Although it provides various benefits such as increased consumer confidence, wider market access, and increased competitiveness, MSME actors also face obstacles such as costs, complicated procedures, and lack of socialization. However, the benefits of halal certification are considered greater in supporting MSME growth. The success of its implementation will depend on the support of the government and related institutions in addressing the gap between regulations and reality on the ground. With the right assistance,

halal certification can be an important step for Pekalongan MSMEs to improve the quality and competitiveness of their products in a wider market.

5. REFERENCES

A'yun, Q. (2023). Faktor Penghambat Umkm Dalam Mematuhi Kewajiban Sertifikasi Halal Di Pasar Malam Cni Puri Indah Jakarta Barat. *Repository.Uinjkt.Ac.Id*, 1–63. [https://repository.uinjkt.ac.id/dspace/handle/123456789/74688%0Ahttps://repository.uinjkt.ac.id/dspace/bitstream/123456789/74688/1/QURROTA A%27YUN - FSH.pdf](https://repository.uinjkt.ac.id/dspace/handle/123456789/74688%0Ahttps://repository.uinjkt.ac.id/dspace/bitstream/123456789/74688/1/QURROTA%27YUN-FSH.pdf)

Alfaini, N. S., Fitriani, Q., Amalia, D. S., & Azima, N. (2024). *Pendampingan Proses Pembuatan NIB Dan Sertifikasi Halal Pada UMKM Dalam Rangka Optimalisasi Keberlanjutan UMKM Di Era Society 5 . 0. 3(2)*, 62–69.

<https://bpjph.halal.go.id/detail/kewajiban-sertifikasi-halal-produk-umk-ditunda-menag-bentuk-keberpihakan-pemerintah>

<https://kemenag.go.id/nasional/kewajiban-sertifikasi-halal-produk-umk-ditunda-menag-bentuk-keberpihakan-pemerintah-pAwPz>

<https://www.cnbcindonesia.com/news/20240317135459-51-522642/menilik-wajib-sertifikat-halal-bagi-umkm>

Ulhaq, M. Z., Nursyafika, N., Mastura, M., & ... (2024). Sertifikasi Halal dan Implikasinya Bagi Pelaku UMKM di Kota Bima. ... *Dan Ekonomi*, 7(2), 71–77. <http://jurnal.stkipbima.ac.id/index.php/PK/article/view/1981>