

# The Urgency of Halal Certification in Creative Economy Development in Cirebon Regency

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## **Abstract**

*The era of the industrial revolution as it is today is marked by the rapid development of creativity, innovation, and technology. The creative economy has great potential to develop, this is proven by its resilience amid crises such as the Covid-19 pandemic. After the passing of the Halal Product Guarantee Law (JPH), creative economy entrepreneurs face a new challenge, namely to have halal certification for each of their products. However, in the process, many creative economy entrepreneurs still have difficulty obtaining halal certification. This research was conducted to find out the obstacles that occurred during the process of applying for halal certification and to formulate policy priorities for overcoming these obstacles. The method used is Process Hierarchy Analysis (AHP). The results of this study indicate that the priorities at the first level are Market and Marketing (P1), Human Resource (P2), and Institutions (P3). While at the second level, there are Halal Awareness (P1), Ease of Procedure (P2), and Creativity (P3).*

**Keywords:** Halal Certification; Creative Economy.

## **A. INTRODUCTION**

The creative economy is a new economic concept that prioritizes creativity and innovation that originates from one's ideas and knowledge in making a product (Chollisni, 2022). In this case, humans become the main subject to develop a creative economy. The creative economy is believed to be able to be an alternative solution to facing global economic challenges and problems (Syarif et al., 2015, Daulay, 2018).

In the era of the industrial revolution 4.0 (digital era), which was disrupted by technological developments, the creative economy emerged as a new term that was first disclosed by John Howkins in his book entitled "The Creative Economy: How People Make Money from Ideas" (Disemadi, 2021). In the creative economy, there is the creation of added value both economically, socially, culturally, and environmentally which is born from the ideas and creativity of creative human resources based on the use of knowledge including culture and technology (Purnomo, 2016).

The tendency to use technology in the creative economy cannot only be developed in urban areas, it has even developed in rural areas (White, 2010). This has been successfully applied to several sub-sectors of the creative economy by maximizing their cultural potential (de Figueiredo et al, 2019; Fahmi et al, 2016). Townsend (2017) considers that the creative economy in rural areas has greater potential than in urban areas. This is because the countryside offers serenity,

natural landscapes, and a more relaxed community lifestyle so ideas are much more likely to emerge.

The Ministry of Tourism and Creative Economy (2021) divides the creative economy into 17 sectors including; crafts, fashion, culinary, game development, fine arts, interior design, music, product design, performing arts, visual communication design, television and radio, applications, photography, film, animation and video, architecture, publishing, and advertising.

The creative economy is one of the pillars of the economy in Indonesia (Sari, 2018). In 2021 the creative economy makes a sizable contribution to Indonesia's Gross Domestic Product (GDP) of 6.98% with a value of Rp. 1.134 trillion (Kemenparekraf, 2022). Based on data from the Ministry of Tourism and Creative Economy (2020) creative economy products contribute 11.9% to national exports.

Cirebon Regency is known as an area rich in culture and history (International, 2020). Cirebon Regency also has good potential to develop tourism and the creative economy, because Cirebon Regency has characteristics that make it different from other regions, such as a variety of culinary arts and crafts which continue to develop into the creative economy sector (Jaelani, 2017). In addition, its strategic location is also one of the potential to develop a creative economy.

The creative economy has become a hot topic as well as a program implemented by the Cirebon Regency Government recently. At the end of 2021, Bapelitbangda Cirebon Regency compiled a Creative Economy Development Master Plan for Cirebon Regency which produced 4 leading sub-sectors of the creative economy namely, culinary, fashion, craft and performing arts (Bapelitbangda, 2021). As a follow-up to these activities, the Cirebon Regency Culture and Tourism Office compiled a Creative Economy Development Action Plan in early 2022 to make policy priorities in the context of developing the creative economy in the leading sub-sectors in Cirebon Regency (Disbudpar, 2022).

The current trend of halal (halal lifestyle) has disrupted human lifestyles. Currently, halal labeling does not only apply to food and drinks, but also styles of dress, makeup (make-up and skincare), tourism, and even banking transactions (Munir, 2019). As a country with the largest Muslim population in the world, the halal market industry is optimistic that it can develop rapidly (Yunos et al, 2013).

After the enactment of Law Number 33 of 2014 concerning Guaranteed Halal Products (JPH), all entrepreneurs who sell necessities that can be used by the community are required to have halal certificates and put a halal label on each of their products. This is no longer voluntary, but mandatory (Sukmana, 2021). The Ministry of Cooperative and SMEs (2018) notes that the majority (99%) of business actors in Indonesia are MSMEs. Apart from being a pillar of the Indonesian economy, the resilience of MSMEs has also been tested to be able to survive during the pandemic (covid-19).

Halal certification or halal labeling is one of the factors that influence consumer interest and decisions in consuming a product (Sukmana, 2021). This is also the background for creative economy entrepreneurs (MSMEs) in Cirebon Regency flocking to register their products to obtain halal certification. Several

other studies have researched the urgency of halal certification (Anisa, 2022; Agustina et al, 2019; Ma'rifat et al, 2017), but so far no one has specifically seen the urgency from the point of view of creative economy entrepreneurs, especially in Cirebon Regency. Therefore, this research is expected to become an urgent reference for halal certification policies for the development of the creative economy in Cirebon Regency.

The research method used is Process Hierarchy Analysis (AHP) which uses expert respondents as a primary data source to obtain policy priorities, in this case, the development of the creative economy (Saaty, 1980). Expert respondents in this study consisted of; stakeholders (Cirebon Regency Government), academics, and creative economy entrepreneurs in Cirebon Regency.

Many of the creative economy entrepreneurs in Cirebon Regency have complained about the difficulty of procedures and the lack of information about applying for halal certification. This was conveyed directly by the chairman of the creative economy community in Cirebon Regency. This complaint was then submitted to the Cirebon Regency Disperindag and Disbudpar which then accommodated creative economy entrepreneurs (MSMEs) to obtain information related to procedural halal certification. Several other challenges were encountered in the process, more details are provided in the discussion and discussion below.

## B. DISCUSSION

Process Hierarchy Analysis (AHP) is a method used to break down complex problems into hierarchical groups. In this method, each variable will weight with the perception of the respondent who is considered capable of seeing and describing the actual conditions.

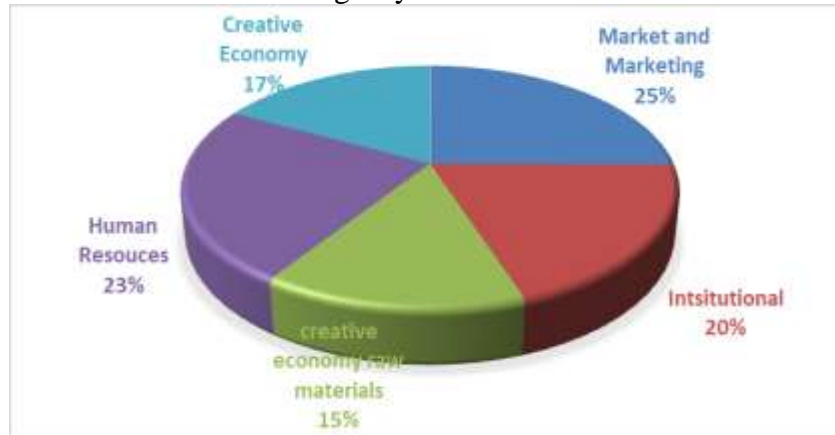
No	Character	Institution	Total
1	<i>Stakeholder</i>	Bapelitbangdan Kab. Cirebon	2
		Disbudpar Kab. Cirebon	2
		Disperindangin Kab. Cirebon	1
2	Academics	IAIN Syekh Nurjati Cirebon	4
3	Creative Economy Entrepreneurs	Pelaku yang <i>capable</i> untuk menjadi narasumber	3
<b>Total</b>			<b>12</b>

The analytical framework of this research consists of two levels. At the first level, it consists of five factors namely institutions, human resources, markets and marketing, raw materials for the creative economy, and the creative economy. These five factors are the main factors for seeing the urgency and problems of halal certification in the development of the creative economy in Cirebon Regency. While at the second level each factor is explained by several variables.

### 1. First Level Analysis (Factors)

Based on the results of Process Hierarchy Analysis (AHP) at the first level, market and marketing factors are the main priority in the urgency of halal certification with a percentage of 25%. Then the next priority is human

resources (23%), institutions (20%), creative economy (17%), and raw materials for the creative economy (15%). Market and marketing factors are still the main factors in the urgency of halal certification in Cirebon Regency.



## 2. Second Level Analysis (Variable)

### **Intititutional**

The institutional factor consists of four variables and based on the results of the analysis, the variable that is the main priority is the ease of procedure with a large percentage of 44.17%. Followed by business association variables (20.47%), apparatus & services (19.55%), and government support (18.52%).

Services are activities carried out by both central and regional governments that aim to meet community needs through laws and regulations (Aprilia & Puspitarini, 2021). One of the elements that must be considered in public services is the ease of the procedure. In this case, many creative economy entrepreneurs in Cirebon Regency still lack information and feel that the procedures to be followed to obtain halal certification require a long process and tend to be difficult to fulfill requirements.

### **Human Resources**

The HR factor consists of three variables, the regeneration of business actors being the priority variable with a percentage of 35.16%, followed by self-identity (34.24%), and religious belief (30.6%). These three variables have almost the same weight, meaning that these three variables have a priority that must be considered together in the HR factor.

In the development of the creative economy, in this case, halal MSMEs, human resources are an important factor that needs to be considered, especially at the level of understanding, management, and management. In research that has been conducted by (Pujiono et al., 2018) the low level of education and halal literacy is a weakness in the development of halal MSMEs. Therefore, increasing halal literacy in human resources needs to be improved in the context of developing the creative economy.

### **Market and Marketing**

Market and marketing have three variables, where halal awareness (39.25%) is the main priority, the second priority is supply intention (34.08%), and finally, demand intention (26.67%). Halal awareness is

something that needs to be built and based on the results of the analysis, this variable is the priority at the second level. Things that can affect halal awareness include religious belief and self-identity (Yasid et al., 2016).

#### **Creative Economy Raw Materials**

The raw material factor has four variables, where the stable price of halal raw materials (39.14%) has the highest percentage, then followed by the availability of halal raw materials (37.71%), the use of halal raw materials (14.20%), and raw materials. environmentally friendly raw materials (8.95%). Halal raw materials are one of the requirements for obtaining halal certification. Halal raw materials are also a factor that significantly influences the interest in buying halal products (Masruroh & Rafikasari, 2022).

#### **Creative Economy**

The creative economy has two variables that have the same weight, namely, creativity (50%) and the halal guarantee label (50%). Creativity is a pillar of the creative economy, making it a differentiator from other business units. Meanwhile, the halal guarantee label can influence consumer decisions in purchasing halal products (Desmayonda & Trenggana, 2019).

### **3. Analysis of All Factors and Variables**

Based on the results of the analysis at the first and second levels, it can be concluded in the following table.

<b>First Level</b>	<b>First Level Priority</b>	<b>Second Level</b>	<b>Weight</b>	<b>Second Level Priority</b>
Insitutional	19,74	Apparatus and Services	3.86	p13
		Ease of Procedure	8.72	p2
		Association of Business Actors	4.04	p12
		Government Support	3.12	p14
Human Resource	23,47	Religious Believe	7.2	p8
		Self Identity	8.04	p7
		Regeneration of Business Actors	8.25	p6
Market and Marketing	25,09	Demand Intention	6.69	p9
		Supply Intention	8.55	p5
		Halal Awareness	9.85	p1
Creative Econom Raw Materials	14,50	Use of Halal Raw Materials	2.06	p15
		Availability of Halal Raw Materials	5.47	p11
		Halal Raw Material Price Stability	5.68	p10
		Environmentally Friendly Raw Materials	1.30	p16
Creative Economy	17,21	Creativity	8.60	p3

		Halal Guarantee Label	8.60	p5
<b>Total</b>	<b>100</b>		<b>100</b>	

### C. CONCLUSION

Based on the results of the overall analysis, the factors that are the top priority are market and marketing (25.09), HR (23.47), and institutions (19.74). Then at the second level, the main variables are halal awareness (9.85), ease of procedure (8.72), and creativity (8.6). Halal awareness is the main factor in the urgency of halal certification in economic development in Cirebon Regency. Halal awareness can also increase people's buying interest and create a habit of consuming halal products (Vizano, 2021).

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