

Halal Industry as a Paradigm Towards the Golden Indonesia 2045

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Abstract

The development of the halal industry is very rapid in Indonesia so it becomes a public concern. The existence of the halal industry is expected to be able to collaborate, adapt, be technologically proficient and be able to increase connections to all levels of society toward golden Indonesia 2045. This topic was raised as an effort to foster a study of the halal industry on global issues related to the conversion of development for the welfare of society. The research conducted was descriptive qualitative research with a normative and phenomenological approach. Data collection techniques use secondary data obtained from books, journals, scientific articles, and literature reviews. The presence of Law No. 33 of 2014 concerning Halal Product Assurance has led the halal industry to grow and be accepted by the public. The existence of the halal paradigm as an industry in Indonesia not only attracts people to carry out economic activities with the motive of meeting needs and taking advantage without standardization of Islamic economic ethics but can produce sustainable economic development to realize The Golden Indonesia 2045.

Keywords: Halal Industry, Paradigm, The Golden Indonesia 2045

A. Introduction

Economic growth is defined as a measure that describes the economic development of a country. The economic growth of a country is influenced by the country itself, namely by optimally utilizing its resources to increase capacity to meet the needs of the people and the country (Siagian et al. 2020) One of the factors that influence economic growth is the high production of goods and services. The higher the production of a region, the higher the development of the region or what is referred to as national income. This is used as a measure to classify a country as a developed country by using Gross Domestic Product (GDP) or Gross Domestic Product (GDP). Todaro and Smith stated that economic growth is influenced by three main components, namely capital accumulation, growth in population, and technological progress. These three components refer to the conclusion, namely production (Todaro and Smith 2004). Where the growth of a country is seen by the large supply of goods using technological developments in providing efficiency to production in a region. So the orientation of economic growth is assumed to be a pattern of continuous production.

Efforts to obtain economic growth are always driven by motivations for production, consumption, and investment. This economic activity affects the decline in environmental quality, which will create two big problems, namely the depletion of natural resources and cause pollution (Ngoya, 2015, p. 78-79). This is a problem of imbalance in viewing the relationship between humans and nature.

This problem implies to us that the fulfillment of public welfare does not result in damage to existing natural resources. Questions like these do not only focus on economic stability at the pace of supply and demand but will affect the lasting impact on existing natural resources. Influencing the world economy by relying on production, turns out to have a major impact on the destruction of ecosystems on earth. Meanwhile, the ethics that must be carried out in production activities is to protect natural resources, because natural resources are a gift from God that we must protect (Mochtar, 2020, p. 279).

The concept of production in conventional theory demands an increase in the number of products without regard to priority standards of community needs and maintaining electability and spiritual ethics in the process. So that no one guarantees the halalness of the goods produced, this is because there is no standard reference to guide production activities. While the halal and *Thoyyib* parameters are the basis for carrying out production which guarantees cleanliness, safety, and product quality (Euis, 2016).

In 2045 Indonesia entered the age of 1 century by giving birth to a golden generation to face demographic bonuses and technological developments. Along with geostrategic and geopolitical developments both nationally and globally, in 2045 Indonesia is expected to face a big one. The developments and dynamics that emerged post-Industrial Revolution 4.0 and Society 5.0 will bring classic problems around challenges and opportunities in issues such as food security and energy security, technological development and innovation, demographic bonus, as well as political, social, and cultural dynamics. These issues arise and develop with the increasingly tight competition between nations. A nation that has great competitiveness certainly has a great chance to win the competition, while a nation with low competitiveness will become a backward nation.

The industrial revolution 4.0 is a time when the world is entering an era of disruption, where changing patterns of work, working, and interacting with others are very dramatic. Industry 4.0 brings speed, depth, breadth of information, and innovation that will make system changes in every country (Ahmadi and Ibda, 2019, p.25). In the same era, a new world issue was born, namely the halal industry. The halal industry is an activity in processing goods and services that are by Islamic law. Along with the massive development of the world industry, the halal industry exists to answer the needs of the world's Muslim community (Pujayanti, 2020, p.23).

The global halal market has also developed into a sector of the world economy. Halal-standard products should have become an inseparable part of world economic practices that demand international standardization and quality as a guideline to gain the trust of consumers across countries, especially the world's Muslim community. With these guidelines, the distribution of goods, services, capital, and knowledge between countries will be easy. International trade has a major influence on improving a country's economy by creating a conducive climate that is mutually beneficial from reciprocal trade, which will even make the production and marketing of goods efficient (Warto and Samsuri, 2020, p. 100).

The Ministry of IBRA carries out the halal management process in the publication of the 2019-2024 Indonesian Sharia Economic Master Plan. The

concept that is being carried is halal by design which is based on Islamic law with the principles of halal and *Thoyyib*. This has become a new paradigm in the world's industrial sector. Applying these two principles, it is hoped that will provide a new concept for sustainable economic development towards golden Indonesia 2045. The development of the halal industry has moved the government to make laws and regulations on halal products. Halal product legislation regulations made by the government provide a sense of security to consumers in consuming products. The Indonesian Ulema Council (MUI) is an institution of Islamic clerical thought. The MUI has established an agency to oversee halal food, drugs, and cosmetics, namely the Food and Drug Monitoring and Distribution Agency of the Indonesian Ulema Council (LPPOM-MUI). In 2017 the Halal Product Assurance Organizing Body (BPJPH) was inaugurated based on the provisions of Law Number 33 of 2014 concerning Halal Product Guarantees. With this regulation, all business actors are required to register their products with the Halal Product Guarantee Agency (BPJPH). This is according to what is stated in Law Number 33 article 4 of 2014 which reads "Products circulating in Indonesia must be halal certified" (Peraturan Pemerintah Republik Indonesia 2014). After the operation of BPJPH, MUI still has an important role, namely providing a fatwa for determining halal for each product which is then conveyed to BPJPH as a basis for issuing halal certificates. The validity of halal certificate is only valid for 4 years since it was registered at BPJPH according to article 42 (Peraturan Pemerintah Republik Indonesia 2014).

The research conducted was descriptive qualitative research with a normative and phenomenological approach. Data collection techniques use secondary data obtained from books, journals, scientific articles, and literature reviews. This research is based on the results of researchers' observations of economic practices that occur in the field, namely observing trends in halal industry issues. This research was conducted concerning relevant research conducted by Difa Ameliora Pujayanti, namely the halal industry in realizing Development Goals in the Industrial Revolution Era 4.0. In addition, researchers should provide new references to support world economic growth, especially in Indonesia, namely from a halal perspective. The references given are in the form of a philosophical study in interpreting halal as a sub-paradigm for sustainable economic development towards golden Indonesia 2045. This is seen as important because it departs from the understanding that halal is not only a principle for Muslims but can be applied in all societies.

B. DISCUSSION

1. The concept of the Halal Industry

The halal industry is all efforts made to improve people's welfare both in the form of raw material processing and the development of other aspects that can become sharia-compliant economic products, both in terms of the production process, and distribution to the hands of consumers. The process of economic turnover is not an economic process that is prohibited in muamalah activities (Sulistiani, 2019, p. 93). Halal has become the main indicator that is universal which is used as a guarantee for the quality of a product and becomes a standard

of living (Hameeda, Gillani, and Ijaz, 2016, p. 33). It is universal because halal is not only for Muslims but also guarantees production for non-Muslims.

The halal industry does not only penetrate the food and beverage sector but also penetrates all economic industries such as tourism, finance, clothing, cosmetics, medicine, education, and entertainment. Efforts to increase potential and take advantage of opportunities in the halal industry require good synergy from all elements. This is to achieve halal standards holistically (Andini, 2019, p. 186). Therefore, synergy is needed from various parties to form a halal ecosystem in the halal industry. In addition to human resources, raw materials or production equipment also requires full support from the government to supervise and make guidelines for the running of the halal industry in Indonesia.

2. Potential for the Halal Industry in Indonesia

The halal industry and products in Indonesia have great potential both nationally and internationally. Not only in the food and beverage sector but includes various sectors, such as cosmetics, tourism, hotels, medicine, fashion, and Islamic finance. Because the halal industry is related to all aspects of lifestyle support and diverse cultural trends and is also suitable to be implemented according to market demand because Indonesia is a Muslim-majority country. This is evidenced by data on the Muslim population reaching 2 billion or around 25% of the total world population and the largest Muslim adherents are in the Asian Region (Mastercard dan Crescent Rating 2022). The following is the potential for the halal industry in Indonesia:

a. The world's largest Muslim population

Indonesia is a country with the world's largest Muslim population, numbering 237.53 people or 86.9% of the total 273.32 people (Kementerian dalam Negeri, 2021). Based on these data, the fulfillment of community needs for halal products is also very large. The halal industry is one of the generators of the Islamic economy, this is a momentum for domestic, national, and global business actors. Not only as a form of awareness and compliance with sharia but to make the world community live healthier, safer, and halal in consuming. With the development of the national halal industry, Indonesia will become a major player in the world's halal industry sector. The halal industry is not only a major problem for Muslims, but has become an international production system because the halalness of a product is regulated in the International Trade Codex.

b. The high value of consumption of halal products by the Indonesian people

As a Muslim-majority country, Indonesians are detected spending around USD 220 billion. This value is expected to always increase along with the increase in population and public awareness of halal literacy. This is a big opportunity for Indonesia to become the center of the halal industry if it can optimize it properly. As we know, Indonesia is rich in natural resources, namely agriculture, animal husbandry, fisheries, and plantations. If large industries and MSMEs are mobilized to take advantage of human resources and carry out halal certification, this will make Indonesia the center of the world halal industry and ready to realize a golden Indonesia 2045.

c. The Golden Indonesia 2045

Along with geostrategic and geopolitical developments both nationally and globally, in 2045 Indonesia is expected to face a big one. The developments and dynamics that emerged post-Industrial Revolution 4.0 and Society 5.0 will bring classic problems around challenges and opportunities in issues such as food security and energy security, technological development and innovation, demographic bonus, as well as political, social, and cultural dynamics. These issues arise and develop with the increasingly tight competition between nations. A nation that has great competitiveness certainly has a great chance to win the competition, while a nation with low competitiveness will become a backward nation (Ali et al. 2020, p.1). The demographic bonus in 2045 reaches 70% of the total population of Indonesia, which shows that the productive age group is a large part. So with this potential, public demand for halal products from various sectors will also increase and get bigger.

Looking at the phenomena that are happening, the vision of Golden Indonesia 2045 is formulated with four pillars, namely: (1) Human development and mastery of science and technology, (2) Sustainable economic development, (3) Equitable development, and (4) Strengthening national resilience and governance. These four pillars are built on Pancasila and the 1945 Constitution as the foundation of the nation, state, and constitution, to protect the entire Indonesian nation and all of Indonesia's bloodshed and to promote general welfare as stated in the fourth paragraph of the 19945 Constitution.

Seeing this vision, Indonesia has designed to carry out sustainable economic development in 2045. The development of the halal industry is very suitable to improve the Indonesian economy, this is because the majority of Indonesia's population is a Muslim community. This is evidenced by data on the Muslim population reaching 2 billion or around 25% of the total world population and the largest Muslim adherents are in the Asian Region (Mastercard dan Crescent Rating 2022).

3. The Halal Industry as a Paradigm Towards Golden Indonesia 2045

The existence of a demographic bonus in 2045 reaches 70% of the total population of Indonesia which shows that the productive age group is a large part. So with this potential, public demand for halal products from various sectors will also increase and get bigger. Human resources are one of the key components of the halal industry. So superior and competitive human resources must be improved with optimal and maximum empowerment programs so that later they will become actors in increasing halal literacy and the halal industry from all management chains. With proper and optimal training, there will be a continuous collaboration between the knowledge and skills possessed by industry players (Sa'adah and Asnawi, 2022). So that it will give birth to staff and employees who are capable of halal requirements and trends. Therefore, developing superior human resources is the same as creating one of the main keys to developing the halal industry.

The expansion of halal products and industry has received special attention from the government, this is evidenced by the various efforts and strategies undertaken to improve the economy, one of which is the issuance of Law no. 33

of 2014 concerning Halal Product Assurance. This regulation was made to provide a sense of security to consumers who have the right to use products that comply with Islamic law, both in terms of tools and materials, the manufacturing process to the distribution stage. In essence, Law no. 33 of 2014 describes protection, fairness, certainty, accountability, transparency, effectiveness, efficiency, and professionalism (Peraturan Pemerintah Republik Indonesia 2014).

As for the subject matter of the formulation of Law no. 33 of 2014 namely:

- a. Guarantee the availability of halal products;
- b. Regulate the rights and obligations of business actors in guaranteeing halal products;
- c. Implementation of halal product guarantees by BPJPH;
- d. Procedures for obtaining halal certification;
- e. BPJPH collaboration with related ministries or institutions, MUI, and Halal Inspection Agency (LPH);
- f. JPH Supervision;
- g. Administrative sanctions and criminal sanctions.

Legal regulations related to Halal Product Assurance (JPH) are very important to implement with the aim that the products produced have added value because they are already halal standards through BPJPH inspection. In addition, halal certification can also be an added value to product competition in the domestic market, both nationally and globally. So that the halal industry is expected to be able to realize the vision and mission of Indonesia in 2045 gold through sustainable economic development. Not only that, this halal industry will lead Indonesia towards global industrial competition.

The optimal implementation of the halal industry is when the three implementing components of the economy synergize. The three components of implementing the economy in question are; first, the government as a pioneer, regulator, and facilitator and their regulations. Second, the institution acts as a technical executor. Third, investors, industry, and consumers play the role of economic actors. The participation of the halal industry in the sustainable economic development megaproject event will lead to Golden Indonesia 2045.

C. Closing

The halal industry in Indonesia has great potential both nationally and internationally. Not only in the food and beverage sector but also includes various sectors, such as cosmetics, tourism, hotels, medicine, fashion, on, and Islamic finance. In addition to having large natural resource potential, Indonesia is also a country with a majority Muslim population. This is evidenced by data on the Muslim population reaching 2 billion or around 25% of the total world population and the largest Muslim adherents are in the Asian Region. The expansion of halal products and industry has received special attention from the government. To support the development of the halal industry as part of sustainable economic development, the issuance of Law no. 33 of 2014 concerning Halal Product Assurance. The regulation was made to provide a sense of security to consumers who have the right to use products that comply with Islamic law, both in terms of tools and materials, the manufacturing process up to the distribution stage. The

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