



## The Impact of The Halal Label on The Welfare of Micro Small-Medium Businesses in Indonesia

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### Abstract

Halal labels at this time are so widely circulated. Especially in food which is the key for Muslims when they are going to consume a food product. Because the groceries that we eat must be halal and tayyiban so that the food becomes our energy to worship and carry out the activities that we do every day. The purpose of this research is to find out thoroughly how the process so that food can become halal as a whole and know the nature of halal. Halal labels are currently widely circulated, especially in food, which is the key for Muslims when they are going to consume a food product. The groceries that we eat must be halal and tayyiban so that these foods become our energy for worship and carrying out the activities that we do every day. Due to limited time, the ability to conduct research in the field, and a lack of ability to analyze problems in the field, this study used Google Scholar and Scientific Articles. Then the effect of slaughter on the halal food sold. Because by knowing the differences, MSMEs can find out the whole process of halal food products so that their sales are expected to experience an increase in sales and general features, and most importantly, provide a sense of calm for their customers.

**Keywords** *Halal label, MSME, food, Halal*

### INTRODUCTION

Halal Product Guarantee is part of the state's obligation to provide legal protection to its citizens to feel safe and comfortable and avoid mistakes in consuming and/or using food, drinks, medicines, and cosmetics. The halalness of a product is a religious order that must be carried out and implemented by every adherent of the Islamic religion, which, from a business perspective, is a food market spread across Indonesia. A halal certificate is a recognition of the halalness of a product issued by the Halal Product Assurance Organizing Agency (BPJPH) based on a written halal fatwa issued by MUI and given a "Halal" label on the product (Maharany, 2021). Food is everything that comes from biological sources and water, both processed and unprocessed, which is intended as food and beverages for human consumption, including food additives, food raw materials and food raw materials and other materials used in the process of preparing, processing, and/or deed food and beverages. In the Qur'an surah, Al-Maidah verse 3, Allah Almighty says, "It has been forbidden upon you carcasses, blood, pork, animals slaughtered not because of Allah, who is strangled, who die from being beaten, who die from falling from above, who die from being horned, who die from being eaten by wild animals, except those that you have slaughtered and forbidden are also those who are slaughtered for idols" (Maharany, 2021).

For a Muslim, eating halal food is contrary to the lusts of the devil, who wants man to fall into haram. Therefore, avoiding haram is an attempt to overcome Satan's temptations. In Surah Al-Baqarah, Allah said: "O man, eat what is lawful and good from that which is on earth, and do not follow the steps of shaitan; For verily the devil is a mortal enemy to you" (QS. Al-Baqarah: 168). Getting used to eating kosher and tayyib foods will bring not only health but also goodness. Basically, everything on the face of the earth is halal except what is forbidden in the Qur'an and Hadith (Adawiyah et al., 2022).

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Halalan Toyyiban, or the concept of halal, clean, and good, is a principle emphasized in Islamic teachings. Consuming food is not excessive, but the most important thing is that it must be halal. One of the other concepts in Halalan Toyyiban is that food and its source must be halal. The large population in Indonesia, the majority of whom are Muslims. Of course, it will shape the mindset of the Indonesian people by thinking about the importance of a halal label as a consideration for a purchase decision. Halal is an important factor that must be taken into account in the selection of a product, such as food and cosmetics. The reality of Muslims says that halal is part of the belief system, morality, and integral in the activities of daily life (Al Farisi, 2020).

In line with that, halal, in its full term "Halalan Thoyyiban," can be interpreted as things that are allowed to be consumed in relation to Sharia law as long as it is safe and harmless. This definition shows that in addition to meeting Sharia requirements, halal quality also demands products to be safe, hygienic, and healthy. This wholeness (Thoyyiban) makes halal benefits not only related to religious beliefs but also to nutritional quality, safety, hygiene, and non-contamination principles applied in the production process, making the concept of halal increasingly attractive to both Muslims and adherents of other religions (Akim et al., 2019).

Based on BPS data in 2020, shows that our country has largely embraced Islam, which amounts to 87.18% of the total population. This makes Indonesia a country that has a large share of Sharia products and services because the majority of the country is Muslim, so the higher Muslim population makes their awareness of the need for halal products increase. The great demand for products and services labeled halal both in the domestic market and the international market has an impact on the national halal industry, not only paying attention to the brand or quality of its products but also be required to pay attention to the supply chain of its products to the hands of consumers. This is because the halal label requires a guarantee of the halalness of the product from the initial process until the product is in the hands of consumers (Rohman, 2021).

The Islamic Organization for Food Security (IOFS), in its 'Vision 2031: 10-year strategy', presented 16 programs under the five pillars of "food governance, food crisis response, capacity building, industrial development, and re-resource mobilization (IOFS, 2021). Food security is important for OIC members in the global food system, where the IOFS declares "farm to fork", as "Gene to fork" (OIFS, 2021, p. 2021. 5). In addition, it summarizes consumer purchasing behavior supply chain, food production, and waste (Standard Dinar, 2020). Food security remains central to the IOFS' mandate on properly managed eco-food systems to ensure the sustainability of a holistic international food system, linking the common interests and policies, investments, and legal aspects of all relevant parties. (Sim & Abdullah, 2022).

The development of the micro, small and medium enterprises (MSMEs) industry in Indonesia has made a major contribution to the national economy, starting from production output and employment to producing state foreign exchange. MSMEs have specific advantages in the form of local content-based output at relatively affordable prices, easy labor, and simple skills, as well as unique product specifications and an international market. As part of integral development, Central Java has the potential for a variety of MSMEs and even the largest number of units in Indonesia. The position of MSMEs is getting steadier. In addition to being able to absorb quite a lot of workers, these MSMEs are agile, so they are able to survive in unfavorable conditions, such as the current global crisis. Generally, MSMEs have a strategy of making unique and special products so that they do not compete with products from large businesses (Pujiono et al., 2018; Sarphyah et al., 2019).

From the statement above, it is stated that MSMEs are the main topic in prospering the country's economy, and the reason for taking samples in Indonesia is because it is easier to find the necessary articles than in other countries. And it's easier to review in theory the field. Alasan, I made this journal is as we know that the level of literacy of the community is still low regarding halal law. They know that a halal or illegitimate product is only from packaging that has a halal

label. Especially in this day and age, there are so many products that do not use halal labels.

Seeing these conditions, some MSME players have made changes by taking care of the halal certification process for their products, thereby increasing public confidence in making purchases, which certainly affects product sales turnover. However, there are still many MSME actors in Jember who are not aware of the importance of managing halal certification. The description of the situation analysis above is the basis of knowledge that various realities of food and cosmetic products still do not have halal certification (Farhan, 2018). There are still many MSME actors in Sumpalsari District who are less concerned that the food and cosmetic products sold by them need to get halal guarantees because these foods and cosmetics will be consumed by the wider community. Starting from the background of the phenomenon in the field, it is necessary to increase literacy or understanding of halal for a product that will be consumed by the community, especially MSME players of food and cosmetic products in Jember, so as to be able to answer the challenges of the development of the era regarding halal certification which will affect the sales value of their business products. The purpose of this service research is to analyze the literacy and religiosity of MSME actors towards their food and cosmetic products so that later they will be able to provide an idea that will simultaneously affect people's purchasing decisions and sales turnover of their products (Yuwana & Hasanah, 2021).

The purpose of this study is to change the perspective of MSMEs who know that halal is just an ingredient without knowing what the complete halal provisions are. This is because business actors do not know enough about what halal is as a whole, how the halal process affects the business they trade, and how halal is very important to bring MSMEs into the international realm. In this character, there are four reasons that explain the strategic position of MSMEs in Indonesia. First, MSMEs do not require large capital like large companies, so the formation of this business is not as difficult as large businesses. Secondly, the necessary labor does not demand a particular formal education. Third, most are located in rural areas and do not require the infrastructure that large companies do. Fourth, MSMEs have proven to have strong resilience when Indonesia is hit by an economic crisis. (Sarphyah et al., 2019).

## **LITERATURE REVIEW**

### **Definition of Label**

Letting go and not being bound is the meaning of the word halal; in this case, it can be epistemologically said that halal is free and not bound by the provisions that prohibit it; the halal limit has been clearly stated in one of the verses in the Quran, which is written in sura Al-Baqoroh verse 168 which means: "O all men! Eat the lawful again good of what is on earth and do not follow the steps of shaitan; because, in fact, the shaitan is the real enemy for you." According to the Ministry of Trade of the Republic of Indonesia, No. 518 of 2001 concerning the inspection and determination of Halal Food is: "... does not contain illegitimate elements or ingredients or is prohibited for consumption by Muslims, and its processing is not contrary to Islamic law". Furthermore, Halal labeling can be said to permit the installation of the word "HALAL" on the packaging or product packaging of a company. According to Wulandari (2021), halal labeling means images, logos, and colors, as well as signs that indicate the halal status of a product or service (Samboro et al., 2020).

### **Halal Label Foundation**

The halal label is obtained after obtaining a halal certificate. A halal certificate is a written fatwa from the Indonesian Ulema Council (MUI) stating the halalness of a product in accordance with Islamic law. This halal certificate is a requirement to obtain a permit to include halal labels on product packaging from authorized government agencies. As for what is meant by halal products, they are products that meet the halal requirements in accordance with Islamic law. The halal

requirements for a product include the following: It does not contain pork and ingredients derived from pigs. Does not contain forbidden ingredients, such as materials derived from human organs, blood, feces, and so on. All ingredients derived from halal animals are slaughtered according to Islamic Sharia procedures. All its storage, points of sale, processing, place of management, and transportation should not be used for pigs. If it is ever used for pigs or other non-halal goods, it must first be cleaned in an ordinance regulated according to Islamic law. All foods and drinks that do not contain khamar.

Halal certification is a process to obtain a halal certificate through several stages of inspection to prove that halal ingredients, production processes, and assurance systems meet the standards of the Food Assessment Institute for Medicines and Cosmetics of the Indonesian Ulema Council (LPPOM MUI). The purpose of halal certification is to provide certainty of the halal status of a product as a form of fulfilling consumer rights. Consumer confidence in the halalness of a product will affect the number of consumer purchases of the product. In the past, the submission of halal certification by producers was still voluntary. However, after the enactment of the Law of the Republic of Indonesia, Number 33 of 2014 concerning Halal Product Guarantee, the submission of halal certification by producers is mandatory. Provisions on the mandatory halal certification of all these products are contained in Article 4, which states that: "Products that enter, circulate, and are traded in the territory of Indonesia must be halal certified" (Law No. 33 of 2014, 2014). Still referring to the law above, the implementation of halal certification obligations for all products in Indonesia will take effect in the next five years since the law is enacted (Agustina et al., 2019).

Halal Food Terms and Criteria As explained that the scope of halal is very broad and haram narrow – And basically all food and drinks that come from growing vegetables, fruits and animals are kosher, except those that are toxic and endanger human life. The drinks that Allah forbids are all forms of khamar (alcoholic beverages) Allah said:

﴿يَسْأَلُونَكَ عَنِ الْخَمْرِ وَالْمَيْسِرِ قُلْ فِيهِمَا إِثْمٌ كَبِيرٌ وَمَنَافِعُ لِلنَّاسِ وَإِنَّهُمَا لَأَكْبَرُ مِنْ نَفْعِهِمَا وَيَسْأَلُونَكَ مَاذَا يُنفِقُونَ قُلْ قُلُوبُ الْعُقُوتِ كَذَلِكَ يُبَيِّنُ اللَّهُ لَكُمْ آيَاتِهِ لَعَلَّكُمْ تَتَفَكَّرُونَ﴾

It means: "Indeed, Allah only forbids you (to eat) carcasses, blood, pork, and animals that, when slaughtered, are called (names) other than Allah. However, whoever is in a state of compulsion (eating it) while he does not want it, does not (nor) go beyond the limits, then indeed Allah is Most Forgiving, Most Merciful" (QS: al-Baqarah 173).

In this verse, it has been explained that the forbidden foods include: Carrion, which belongs to the category of carcasses, are animals that die by not being slaughtered, including animals that die suffocating, being hit, falling, horned, and pounced on by wild animals, except for those that we have slaughtered; only fish carcasses and grasshoppers are allowed to eat. Blood, often termed flowing blood, means the blood that comes out at the time of slaughter (flows), while the blood left after slaughter that is in the flesh after cleaning is allowed. Two kinds of blood are allowed, namely the heart and spleen. Pigs, whatever comes from pigs, are illegitimate, whether their blood, flesh, or bones. The beast that, when slaughtered, mentions anything other than the name of God. In terms of food, there are actually two definitions that we can categorize halalness, namely halal in getting it and halal dzat or substance of the goods. Halal in obtaining it means that it is right to seek and obtain it.

Nor in an illegitimate way nor in a vanity way. So, food that is basically halal but how to obtain it by illegitimate means such as; stealing, the proceeds of corruption, and other illicit acts then automatically changes its legal status to illicit food. Another explanation says that halal food,

according to Islamic law, is food that is halal in its essence, halal in its procurement or how to obtain it, and halal in the processing process. In other words, the food must be absolutely kosher. This is according to the word of Allah swt:

يَا أَيُّهَا الَّذِينَ آمَنُوا لَا تَأْكُلُوا أَمْوَالَكُمْ بَيْنَكُمْ بِالْبَاطِلِ إِلَّا أَنْ تَكُونَ تِجَارَةً عَنْ تَرَاضٍ مِّنْكُمْ وَلَا تَقْتُلُوا أَنْفُسَكُمْ إِنَّ اللَّهَ كَانَ بِكُمْ رَحِيمًا

That is to say: O people of faith, do not eat of each other's treasures in a vanity way, except by the consensual way of commerce among you. And thou shalt not kill yourselves. Verily God is all-merciful unto you. (QS: an-Nisa 29) From the above verse, it can be seen that Allah encourages Muslims to eat everything that is halal, which is obtained by halal means, not by bathil, one way to get it is by means of trade.

Meanwhile, food that is haram is forbidden for a Muslim to eat it. Basically, all food in the world is halal to eat unless there is a proposition that forbids either from the Qur'an or hadith. In accordance with the rules of fiqh: *الأصل في الأشياء الإباحة حتى يدل الدليل على التحريم* Meaning: The origin of all things is mubah, while there is no proposition that forbids it. The point of this rule is that the law of origin of everything created by Allah is halal and mubah unless there is a *naṣḥ ṣaḥīih* which indicates its monasticism. In other words, if there is no *naṣḥ ṣaḥīih* or the unequivocal designation of the monastery, then it remains in its original law of mubah. The basis of the rule is:

هُوَ الَّذِي خَلَقَ لَكُمْ مَا فِي الْأَرْضِ جَمِيعًا ثُمَّ اسْتَوَىٰ إِلَى السَّمَاءِ فَسَوَّاهُنَّ سَبْعَ سَمَاوَاتٍ وَهُوَ بِكُلِّ شَيْءٍ عَلِيمٌ

That is to say: He is God, who made all that is on earth for you, and He willed (created) the heavens and made Him seven heavens. And He is all-knowing. (QS: al- Bāqarah 29) The verse explains that everything that God has created on this earth is a favor from Him. And God does not forbid anything except just a few parts, and there must be wisdom behind it all for the good of man himself. The number of haram in Islamic law is narrow and the reach of halal is very wide. In Islam consuming food not only puts forward the concept of halal, but also *ṭayyiban*. In accordance with the word of Allah.swt:

وَكُلُوا مِمَّا رَزَقَكُمُ اللَّهُ حَلَالًا طَيِّبًا وَاتَّقُوا اللَّهَ الَّذِي أَنْتُمْ بِهِ مُؤْمِنُونَ 88

That is to say: And eat of what God has given you as lawful and good sustenance, and be devoted to the God whom you have faith in Him (QS:al-Ma'idah 88). The verse explains Islam underscores that all Muslims living on this earth should seek sustenance, which is *ḥalāl* and *ṭayyib*. They should eat halal food and avoid eating dirty foods and foods that are forbidden in Islam so that they will not damage their bodies and lives. Therefore, the concept of *ḥalālan ṭayyiban* means usefulness, which consists of quality, cleanliness, and safety for all.<sup>4</sup> The word *ṭayyib* in Arabic has a good meaning, so good food for consumption is still in a fresh state without the disease. As Muslims, eating daily food should not be arbitrary. The food we eat must be *ḥalālan ṭayyiban* which means halal and good food according to shari'ah.

### History of Halal labels

Before the halal certification carried out by the Indonesian Ulema Council (MUI) in 1989, halal labeling of food products in Indonesia had been started at the end of 1976 by the Ministry of Health. Precisely on November 10, 1976, all food and beverages containing pork and its derivatives

must provide an identity that the food contains pork. This is regulated in the Decree of the Regulation of the Minister of Health of the Republic of Indonesia Number 280 / Men.Kes / Per / XI / 76 concerning Provisions for Circulation and Marking on Foods Containing Ingredients Derived from Pigs. For food producers who use pork or its derivatives, they must include a warning sign on the container or wrapper, either printed or glued to the packaging. The warning sign must contain two elements, namely the pig image and the words "CONTAINING PIGS," which are colored red and are in a red square box as in Figure 1.



**Figure 1.** Warning signs for pork-based products (source: Permenkes RI)

At that time, the selection of illegitimate labels was considered more effective than halal labeling because it was suspected that only a small part of the products contained pork elements. So it is only necessary to label a small number of products that clearly contain pork. In order to speed up publication, the Minister of Health collaborated with the Association of Food and Beverage Entrepreneurs throughout Indonesia (GAPMMI) to distribute the label to companies in need.

Ten years later, on August 12, 1985, there was a change in the label that originally attached the label "CONTAINING PIGS" and finally replaced with a label that read "HALAL". The government issued a Joint Decree of the Minister of Health and Minister of Religious Affairs No.42 / Men.Kes / SKB / VIII / 1985 and No. 68 of 1985 concerning the Inclusion of Halal Writings on Food Labels. Labels may be listed after the manufacturer reports the composition of the ingredients and the way the product is processed to the Ministry of Health (MoH). Supervision is carried out jointly by the Ministry of Health and the Ministry of Religious Affairs through the Food Registration Assessment Team of the Directorate General of Drug and Food Control of the Ministry of Health.

In 1988 the public was shocked by the news about pork-containing food that was widely circulated in the market. A researcher from Universitas Brawijaya (UB) reported that some food and beverage products circulating in the community were indicated to contain pork ingredients. The research was conducted by observing products traded in markets, supermarkets, and grocery stores. A total of 34 types of products are indicated to contain shortening, lard, and gelatin. Shortening is also called white margarine, which is a plastic solid fat that can come from lard and is usually used in baking. This report was published in the Canopy Bulletin published by the Student Senate of the Faculty of Animal Husbandry UB and caused panic in the community. The circulation of this issue makes people worried and very selective in choosing products. Consumer purchasing power decreases in several types of food products, which has an impact on company turnover. This event also affected several food and beverage companies, such as PT. Food Specialties Indonesia, PT. Tri Fabig, and Siong Hoe Biscuits (Aminullah, 2018).

This event made the public and the Government aware of the urgency of halal certification. There must be a guarantee of halal food in Indonesia, where the majority of the people convert to Islam. The existence of Halal food is a primary need for Muslims, so there must be a state policy that regulates it. In order to reduce public concerns about the circulation of lard in 1988, the Institute for the Study of Food, Medicines, and Cosmetics of the Indonesian Ulema Council (LPPOM MUI) was formed. This institution was established based on the MUI Decree Number Kep./18/MUI/I/1989 on January 6, 1989, which has the main task of conducting inspections of circulating products and conducting halal certification. In its implementation, MUI was only able to issue a halal certificate

in 1994, five years after the formation of LPPOM. This certificate is issued based on the results of examinations that have been carried out by LPPOM.

Policy synchronization between the Ministry of Religious Affairs, the Ministry of Health, and the MUI began with the signing of the Charter of Cooperation on June 21, 1996, concerning the inclusion of halal logos on food. The Ministry of Health issued Decree Number 924/Menkes/SK/VIII/1996 as an amendment to the Decree of the Minister of Health Number 82/Menkes/SK/I/1996. Initially, the halal label was given based on unilateral information from the company regarding the composition of the ingredients used. When the company reports that its products do not contain non-halal ingredients, the company can already use the halal label. This policy is considered ineffective in guaranteeing the halalness of the product. With the issuance of Decree Number 924 / Menkes / SK / VIII / 1996, there was a change in the flow of label inclusion. Before the company writes a halal label on its products, it must first go through the approval of the Directorate General of Drug and Food Control (Dirjen POM) based on a fatwa issued by the MUI Fatwa Commission.

After certification is carried out and it is stated that the product is free from non-halal materials, a halal certificate will be issued by MUI. MUI only provides suggestions for the inclusion of the official MUI halal logo and writes down the halal certificate number. Meanwhile, the regulation for the inclusion of the halal logo is the authority of the BPOM RI by attaching a halal certificate at the time of submission. In 2000, the Director General of POM changed to the Food and Drug Supervisory Agency (BPOM), so halal labeling has also switched to BPOM (Faridah, 2019)



**Figure 2.** Label Halal Majelis Ulama Indonesia (source: MUI)

### **Halal Certification and Labeling**

The products circulating in Indonesia are very diverse, both local products and imported products from abroad. In each of these products, there needs to be a halal marker to make it easier for consumers to choose halal products. Therefore, it is necessary to certify and label products in providing guarantees for halal products to the community, especially Muslim citizens. Certification and labeling are two different but interrelated things.

Halal certification is the process of obtaining a halal certificate by going through several stages of inspection to prove that the raw materials, production process, and halal assurance system of products in a company are in accordance with established standards. Certification is carried out by conducting a series of examinations carried out by auditors who are competent in their fields to then determine their halal status so as to create a written fatwa stating the halalness of the product in the form of a halal certificate. The halal certificate is valid for a period of four years. Then it can be extended to it. The company must provide halal guarantees by always maintaining the consistency of halal products. Periodically every six months must report the implementation of the Halal Assurance System (SJH) to the company.

Halal labeling is the inclusion of a halal label or logo on the packaging of halal products. This label serves to show consumers that the product is a product with halal status. The institution authorized to grant permission to include halal labels is the Food and Drug Supervisory Agency



has given its role in maintaining the halalness of products circulating in the community. In the early days of its birth, LPPOM MUI repeatedly held seminars, discussions with experts, including experts in Shari'a science, and visits that were comparative studies and muzakarah. This is done to prepare themselves to determine halal standards and examination procedures in accordance with the development of science and religious rules. At the beginning of 1994, LPPOM MUI issued the first halal certificate that was highly coveted by consumers and producers, and now the benefits can be felt by the community. Along the way, LPPOM MUI has experienced 3 periods of management. The first period was led by Dr. Ir M Amin Aziz, who held the leadership of LPPOM MUI from its establishment in 1989 to 1993. The second term was the management under the leadership of Prof. Dr. Aisjah Girindra, who held the mandate from 1993 to 2006. The 2006-2011 management period was held by Dr. Ir. H.M Nadrattuzaman Hosen. As for the management of Dilampung, from the beginning of its formation in 1996 until 2010, the leader was Drs. H. Azhari Rangga, M.App.Sc. (Al-Bara & Nasution, 2018)



**Figure 4.** Label Halal Indonesia Currently and formerly (related to LPPOM)

## RESEARCH METHOD

The type of research used in this research is literature study research, which is research conducted by researching and analyzing problems using the latest books and scientific articles, which are primary data obtained through Google Scholar. The reason I use Google Scholar and Scientific Articles is because of time constraints, the ability to do research in the field, and the lack of ability to analyze problems in the field. The method of elementizing the book that I use is The qualitative method, where qualitative descriptive research is interpreted as research that examines the events of natural social action emphasizing the way people interpret and understand their experiences to understand a social reality so that the individual is able to solve his own problems. (Mohajan, 2018) In research methods, researchers need to find data in three ways, namely: 1. Editing: re-examining the data obtained mainly in terms of completeness, clarity of meaning, and harmony of meaning between one another; 2. Organizing: organizing the data obtained with the framework that has been needed; 3. Finding: Conduct a follow-up analysis of the results of organizing data using predetermined rules, theories, and methods so that conclusions are found that are the result of the answer to the problem formulation. This research recognizes the effect of halal labels on the welfare of micro, small, and medium enterprises.

The methods applied in detail are: (1) To find out the needs of MSMEs for halal labels so that SMEs know their views and understanding related to halal certification and identify related problems; (2) to organize data obtained through journals that have been obtained from Google Scholar; (3) analyze journals that have been obtained from searches on google scholar and determine the problem and match of conclusions.

## **FINDINGS AND DISCUSSION**

Based on the descriptions of "Comparative Study Between MUI Fatwa No:Kep-18/MUI/I/1998 And Law No. 33 Year 2014 Concerning Halal Product Guarantee Provisions". The author concludes with recommendations that serve as a stimulus for thought or consideration. Legal certainty that guarantees the ingredients of food products, beverages, medicines, cosmetics, and other products that are halal for consumption and use by the public is called halal product guarantees. A halal product guarantee is a legal certainty regarding the halalness of a product, as evidenced by a Halal Certificate. No: in the MUI fatwa Law no. Kep-18 / MUI / I / 1998, To obtain halal guarantees in the form of Halal Certificates or legal certainty, business actors are required to register products to be traded. Based on a written halal fatwa issued by MUI, a halal certificate is an acknowledgment of the halalness of a product issued by BPJPH.

Comparison with MUI fatwa No: Law no. Kep-18/MUI/I/1998 and 33 of 2014 stipulate that every business entity that distributes or trades products must be halal certified and put a halal label on its packaging. The validity period of Halal Certificates varies, according to MUI fatwa No: According to Law No. Kep-18 / MUI / I / 1998 is valid for two years. 33 The Year 2014 has a validity period of four years. The government's Halal Product Assurance Organizing Agency (BPJPH) is then specifically mandated by the Halal Product Guarantee Law to deal with halal product problems in Indonesia. MUI was replaced as the holder of the halal certification authority by BPJPH. Although BPJPH now holds the position of MUI, MUI still plays a role in the halal certification process (Erliani & Sobiroh, 2022)

Through scientific research conducted by two expert staff of animal husbandry from Hannover University, a leading university in Germany. Namely: Prof.Dr. Schultz and his colleague, Dr. Hazim. The two led a structured research team to answer the question: which is better and least sick, pure Islamic Shari'a slaughter (without the process of silencing), or is it slaughter in a Western way (with silencing)? The two designed a very sophisticated study using a group of cows that were old enough (adults). On the surface of the cerebellum of the cows is installed an electrode (microchip) called Electroencephalography (EEG). An EEG microchip is installed on the surface of the brain that touches the pain point (panel) on the surface of the brain to record and record the degree of pain of a cow when it is slaughtered. In the hearts of the cows was also installed Electro Cardiograph (ECG) to record the activity of the heart as blood came out due to slaughter. To suppress errors, cows are allowed to adapt to both EEG and ECG that have been attached to their bodies for several weeks. After the adaptation period is considered sufficient, then half of the cows are slaughtered in accordance with pure Islamic Law, and the remaining half are slaughtered using the Western-adopted method of silencing. It is concluded that Islamic slaughter is better than using the Western style by being fainted first on a different basis of meat quality, and causing the meat to be unfavorable for consumption.

## **CONCLUSIONS**

In previous studies using the literature study method, it can be concluded that this halal label is crucial, especially for MSMEs, in order to provide peace of mind to consumers. And with this halal label, MSMEs can make their trade and industry go international. This makes MSMEs more advanced and spearheads the economy to build the country to prosper and the trade cycle to be more advanced. This is a challenge for MSMEs because of their ignorance of this halal, especially in the process that is in accordance with the Sunnah of Prophet Muhammad SAW, which was taught from his predecessor to us. The important thing shown in this study, it is hoped that MSMEs will start to focus and make this halal label a priority and use hadith and postulates as a basis. In addition, it is expected that the government or other institutions will provide socialization and direction regarding the benefits of halal labels on MSMEs to MSME owners. For subsequent

researchers, it is hoped that they will be able to develop this research with more MSME information and also be able to develop and prosper MSMEs in the place where they live. So that MSMEs will remain the spearhead of the country's economy.

### LIMITATION & FURTHER RESEARCH

Reviewing the results of this study, the researcher limited this problem to only the meaning of halal labels and how to make halal labels, Micro, Small, and Medium Enterprises, the function and influence of halal stamps, both short and long-term, and finally, the procedures for slaughtering slaughter animals in accordance with Islamic law. Due to the limited time of the author, lack of experience in journaling, as well as difficulty in finding relevant reference at this time. And for authors who will use the same theme, it is hoped that they will look for more references, go into the field, and find places that can be used as research material periodically.

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