

CONTEMPORARY ISSUES ON HALAL DEVELOPMENT IN INDONESIA

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CHAPTER 2

The Impacts of Institutional Change in The Halal Food and Beverages Certification Processes in Indonesia

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Abstract This paper aims to provide a description of the halal certification process for food and beverage products that has been done by MUI. The description concerns to the procedures and requirements that must be used in the halal food product certification process. In addition, this paper explores institutional changes in the halal certification process and its impacts both for producers and for consumers. The Presence of Law on Halal Product Guarantee No. 33 year 2014, does not resolve the problems regarding halal certification regulations, but rather creates uncertainty; in fact this halal certification area has become a state problem or an individual problem. Although in fact, the purpose of halal certification is to protect public health. However, various problems arise from the presence of Law No. 33 year 2014.

Key words: MUI, certification, halal food

2.1 INTRODUCTION

Halal-labeled food and drinks in Indonesia are increasing from year to year. This can be seen from the LPPOM MUI 2018 data which presents the increase of halal certified companies

Table 2.1. Number of LPPOM Halal Certification Products

Year	Number of Companies	Halal Certification Number	Number of Products
2011	4,325	4,869	39,002
2012	5,829	6,157	32,890
2013	6,666	7,014	64,121
2014	10,180	10,322	68,576
2015	7,940	8,676	77,256
2016	6,564	7,392	114,264
2017	7,198	8,157	127,286
2018	11,249	17,398	204,222
TOTAL (2011-2018)	59, 951	69, 985	727,617

Source: http://www.halalmui.org/mui14/index.php/main/go_to_section/59/1368/page/1 diakses 13 Juni 2019

From the table above, we can see the development of the number of companies that have halal-certified products. The increase in data is clearly seen, from year to year, especially in 2018 there was a significant increase. Both in terms of the number of companies and the number of products certified. This means these businessmen have increased their awareness in providing guarantees to consumers.

The Indonesian Ulema Council as the policy holder in granting certification on all products in Indonesia (Karim & the Ministry of Religion of the Republic of Indonesia, 2013) in 2019 is being encouraged to immediately certify all products in Indonesia. A better understanding of religion has made Indonesian producers more aggressively labeling their produced and sold products. Specifically in Indonesia, producers, distributors and sellers of goods or services in the certification process are facilitated by the Institute for Drug and Food Control and Distribution - Indonesian Ulema Council (LPPOM-MUI) (Karim & Ministry of Religion of the Republic of Indonesia, 2013). LPPOM-MUI is an institution tasked to watch products that are spreading in the society by providing halal

certificates to producers so that their products that have got halal certificates can be given an official halal label with a logo that has been established by MUI. This means that the products have passed through the process and their contents have been examined and they are free from any elements that are prohibited by Islamic teaching, or the products have become a category of halal products and does not contain any illicit elements and trustfully be consumed safely by Muslim consumers (Ahmed, Najmi, Faizan, Ahmed, & Ahmed, 2018).

MUI has established procedures in such a way that the halal product certification process can be made easily with affordable costs (Chan et al., 2019; "Understanding 'Halal' and 'Halal Certification & Accreditation System' - A Brief Review" 2016). The existence of halal-certified products is increasing in Indonesia, especially in the masterplan for sharia economic development planning in Indonesia is the development of halal products, with a target in 2020 Indonesia will become International Halal Hub (BAPPENAS, 2019). Especially certification on food and beverage products which always be wary by consumers (Ali, Rochmanto, 2014)

MUI through LPPOM MUI has a professional work system and systematically arranged in the halal certification process (Mashudi, 2015). The halal certification process is done by producers to protect consumers, as an embodiment of the law of Consumer Protection and the law of Food Law year 2012 (Krisharyanto, Wijaya, & Surabaya, 2019). This process was further strengthened by the presence of Law No.33 year 2014 concerning in Halal Product Guarantee. The presence of Law No. 33 year 2014 is more based on the rising of the food and beverages business that does not include health security guarantees for consumers. In addition, the raising of business competition in various countries is also a necessity factor in the presence of a law on halal product guarantees (Konoras, 2017). From the GIEI data, it is stated that Indonesia is the No. 1 consumer of halal products country in the world, but it is not yet in the category of the world's top 10 halal producers. (Inclusive & Economy, 2018).

That data shows that Indonesia is not really serious in managing halal products, especially in the food and beverages sector, even

though consumers need certainty and guarantee when they consume food and beverages, for example, in the recent case of gelatin. There is confusion from consumers about the halal status and safety of the gelatin (Hamid, Said, & Meiria, 2019). So that, this consumer anxiety must be treated as a form of legal protection needs, both from state law (constitution) and shari'a law (religion).

The problem that arises is related to enactment of law No.33 year 2014 that not yet been applied for sure. This uncertain implementation is due to the absence of a government regulation that manifests in detail and the unclear application format. Finally, the pros and cons occurred due to the presence of law No. 33 year 2014. Revisions and amendments overshadow the process of the enactment of the act. This is because the presence of this act is a sign that the halal certification process from food and drinks to other halal products has moved institutionally from the MUI authority to the Halal Product Guarantee Agency under the Ministry of Religion. This institutional movement raises business people's fears, fear of high cost economy that rises from the halal certification process (Bashir, 2019; Krisharyanto et al., 2019).

The fact is that until now the authority to give halal certificates is still in the MUI, although it was still argued in October 2019, all halal food and beverages products are required to have certificates. However, the debate continues along with the process of institutional change that will occur. From this phenomenon, this paper aims to; first; describe the halal certification process on food and beverage products that have been carried out by LPPOM MUI. Second; explore the process of institutional changes in the halal certification of food and beverages products. Third; the impacts of the presence of law No. 33 year 2014 at halal certification agencies, business people and consumers.

2.2 LITERATURE REVIEW

A Research on the certification of halal food and beverages has been conducted from year to year. A research on redefining halal products

and their challenges in the current era was compiled by Geetanjali Ramesh Chandra, Iman Ali Liaqat, Bhoopesh Sharma entitled "*Blockchain Redefining: The Halal Food Sector*". This study aims to identify the challenges of the halal food industry and determine the role of blockchain technology in the development of the halal food industry (Chandra, Liaqat, & Sharma, 2019).

A Research on supervision of regulations and provisions of halal products in Indonesia has also become a reference for this paper. The research by Edi Krisharyanto et al, with the title "*Regulation and Provisions for Supervision of Halal Products in Indonesia*", aims to analyze the process of halal certification and its supervision that is practiced in Indonesia. The role of MUI is explained in detail in this research. The research found that Indonesia is facing various obstacles in implementing policies on halal certification. Some strategies are needed to attract and motivate business actors to carry out the certification process (Krisharyanto et al., 2019)

A Research that is also interesting to be used as a reference in this paper is a research from Lies Afroniyati. The research is about the Political Economy Analysis of Halal Certification by MUI. In this study it was explained that the halal certificate in Indonesia was issued by the Indonesian Ulema Council (MUI) since 1989. Since its first inception, the MUI encountered many problems, mainly about authority and legitimacy. So that in the research discussed in terms of economic and political institutional changes from the MUI to the Ministry of Religion (Jaka, Adiwijaya, 2019). These institutional changes, of course, caused controversy and were examined economically and politically (Anderson et al., 2004). The research significantly discussed the political economy struggle between institutions that occurred in the process of legitimacy of halal products. In this research, the impact of institutional transition in the halal certification process has not been discussed yet. This means that what will happen to producers and consumers after the enactment of law no. 33 year 2014.

From some of these studies, the impact of institutional changes that occur on the halal certification process has not been discussed, especially on food and beverages products that have been organized

orderly. The institutional changes that occurred from LPPOM MUI to the Ministry of Religion certainly brings impact on the harmonization of the certification process submission as well as on the behavior of producers and consumers

2.2.1 HALAL CONCEPT IN FOOD AND BEVERAGES

Islam gives limits on both consumers and producers in carrying out economic activities. These economic activities include consumption, production and distribution activities. These limits are given so that there is a balance between world activities and the hereafter. (reference) Because in Islam human beings are not homo economicus but homo islamicus. This means that each activity even though economic activity, they can not be separated from Islamic values (reference). Any transaction in this life must be based on Islamic values.

Likewise, consumption and production activities that are regularly done in economic activities. Especially the consumption and production of food and beverages. Every human being needs food and drink in order to take function as "*khalifatullah fil'ardh*", so eating and drinking are the most important needs in Islam. In the level of *maqashid shari'ah*, it is included in the category of *dharuriyat* needs or primary needs for the fulfillment of soul needs (*lilhifdzi an nafs*).

It is interpreted that food and drinks become primary needs that must be fulfilled by every human who wants to maximize his function as a creature of God. Because the human body needs nutrients derived from food and drinks. So Islam provides the concept of good nutrition that can be obtained from food and drinks that are "*halalan thoyyiban*". The concept of halal is the most basic and must be fulfilled by Moslems, meaning that the food and drinks consumed must come from raw materials that are permitted by Islam, how to process and obtain them must be in accordance with religious rules.

Not only halal, but also "*thoyyibah*" is an absolute requirement in consuming food and drinks for a Muslim. "*Thoyyibah*" means the food and drinks consumed must be nutritious and healthy, and

do not bring negative effects to those who have consumed them. In this case, Islam teaches its people to live healthy and safe, for their survival. So we need a regulation that embodies the message of the Islamic values contained in the holy Qur'an and the hadith.

2.2.2 INSTITUTIONAL CHANGE

In realizing the protection of consumers, Indonesia as a country with a majority of Moslem population makes regulations by certify the halal products. This guarantee or certification is reflected by circulating only halal product with halal label. The labeling of halal products does not necessarily appear just like that, but through institutions that have been appointed by the government. In Indonesia, the process of giving halal certification is handled by LPPOM MUI, a certification agency appointed by the government, but since the presence of Law no. 33 year 2014, there was an institutional change from LPPOM MUI to BPJPH under the Ministry of Religion.

Theoretically, institutional changes can be interpreted as changes in the principles of regulation and organization, behavior, and patterns of interaction (Yustika, 2013). According to Manig (1992) institutional change is a process of permanent transformation that has become a part of development. Therefore, the aim of every institutional change is to internalize the potential for greater productivity from improving the use of resources which then simultaneously creates a new balance (eg social justice). The source of institutional change is social engineering (Schlüter, Wise, Mánez, de Morais, & Glaser, 2013) derived from interactions between actors. Institutional change does not occur immediately, but through a long process. In addition, government policies also influence institutional change. (Salamanca & Torell, 1196).

In institutional changes according to North (1995: 23) in Erani Yustika (2013) there are five basic propositions that are used as characteristics of institutional change, including:

1. Institutional and organizational interactions that occur continuously in settings of scarcity, and then reinforced by competition, are keys to institutional change

2. Competition will make the organization invest its skills and knowledge to survive. The types of skills and knowledge needed by individuals and their organizations will shape the development of perceptions about opportunities and choices that will change institutions.
3. The institutional framework dictates the types of skills and knowledge that are considered to have a maximum pay-off.
4. Perception comes from the mental constructs of the players.
5. Economic scope, complementarity, and externality of the institutional matrix network create institutional changes that increase and have a path dependent.

Institutional changes can also occur due to changes of demands of constituents or changes in the power of suppliers of institutions, namely government actors (Richter, 2005). These voter demands can change institutions with many reasons. For example, in halal certification institutions, at the beginning it can be done manually, along with the existence of technology using digital system, now the submission of halal certification can be done online (Bashir, 2019). In addition, there is a change in the authority of halal labeling from MUI to move to BPJPH Ministry of Religion (Waharini & Purwantini, 2018)

Furthermore, in Erani Yustika (2013) North believes in two main factors as ways to understand the dynamics of the change (Hira and Hira, 2000: 273). First; institutional change as a symbiotic relationship between institutions and organizations that surround the structure of incentives provided by institutions, second; institutional change as a feedback process in which individuals feel and react to changes in various opportunities. In other words, the first relationship confirms that the organization is optimistically able to adapt to its environment (Hameeda et al., 2016)

Based on this proposition, North states there are fundamental challenges in creating efficient institutions (Hira and Hira, 2000: 275-276), namely aligning informal with formal constraints and creating and maintaining policies that will support adaptively efficient institutions. Regarding the first obstacle, North believes that the community considers a fair system, and then it lends informal

stability to formal regulations so that it will reduce the problem of collective action. Whereas relating to the second obstacle, North refers to the need for transparency and accountability of funds in reducing the information costs of the voter.

2.2.3 INSTITUTIONAL HALAL CERTIFICATION IN INDONESIA

The rise of doubtful raw materials on food and beverages circulation, for example the presence of gelatin as an ingredient in ice cream, candy and other foods. In addition, the presence of a variety of imported food and drinks make Indonesian consumers must be more selective in deciding their consumption (Mohd Zaid Mustafar & Joni Tamkin, 2013; Rochmanto, 2014; Sholichah, Vanany, Soeprijanto, Anwar, & Fatmawati, 2014). In addition, they also need certainty and guarantee of food and drinks that are truly halal and safe for health (Saabar & Ibrahim, 2014). Therefore, MUI was present by forming the Indonesian Food and Drug Administration and Cosmetic Research Institute (LPPOM MUI) in 1989 as a guarantor for halal food and beverage products in Indonesia (Sayekti & Bersama, 2014). However, the LPPOM MUI halal certification activity for food products was only carried out in 1994. The reason was because the Ministry of Health thought it has the right to supervise food products and has the authorization to carry out halal certification. Finally, the halal certification process was handled by 3 institutions namely MUI, the Ministry of Health, and the Ministry of Religion through the signing of the Joint Decree (SKB) of the three institutions in 1996 (Sayekti & Bersama, 2014, Nurbowo, 2003).

After the decree was enacted, Law Number 7 year 1996 concerning Food was revised into Law Number 18 year 2012 concerning Food, Article 69 states that one of the implementation of food safety is carried out through halal product guarantees for the required, and provisions regarding the inclusion of halal labels on product packaging is described in Article 97 of the Law. In more detail, halal labeling is also regulated in PP Number 69 of 1999 concerning Food Labels and Advertisements, the National Accreditation

Committee (KAN), the National Standardization Agency (BSN). In the PP, BSN is an institution that accredits to investigator institution to check the truth of the halal statement that will be included on the label of a food product. By this, BSN formed an Accreditation Development Team for Halal Certification Institutions in 2001 whose members were representatives of the Ministry of Agriculture, the Food and Drug Monitoring Agency (BPOM), the Ministry of Trade, the Ministry of Religion, the Food Industry Association, YLKI and the Muslim Consumer Institutions Foundation, Universities, LPPOM MUI, and BSN itself ("Understanding 'Halal' and 'Halal Certification & Accreditation System' - A Brief Review Understanding 'Halal' and 'Halal Certification & Accreditation System' - A Brief Review," 2016, [http // www .halalmui.org / newMUI / index.php / main / go_to_section / 2/31 / page / 1](http://www.halalmui.org/newMUI/index.php/main/go_to_section/2/31/page/1), accessed on June 13, 2019).

In 1999, Law No. 8 on Consumer Protection was also present to take rule to the guarantee of halal products (JPH). In the act, consumers are given the right to get convenience, security, and safety in consuming goods and / or services, as well as giving obligations to business actors to provide the right, clear and honest information about the conditions and guarantees of goods and/or services. Business actors are also prohibited from producing and/or trading goods and/or services that do not comply with the halal production requirements, as the 'halal' statement stated on the label (Ahmed et al., 2018). The existing regulations do indeed relate to JPH, but they are still considered ambiguous. Therefore, in 2006, the Indonesian Parliament proposed a draft bill on Halal Product Guarantee. After 8 years of deliberation, the bill could finally be passed by the DPR (Indonesian Legislative Assembly) into Law No. 33 year 2014 (JPH Law) on October 17, 2014. This law is expected to provide legal certainty for consumers, especially the Moslem community as the largest consumer. In this law, the organizer of JPH is the Halal Product Guarantee Agency (BPJPH) in collaboration with the LPH (Halal Inspecting Agency) and MUI as the issuer of halal fatwa. BPJPH is responsible to the minister. In addition, this Act makes it easy for micro entrepreneurs to get assistance from the State Budget and Regional Budget. (UU Jaminan Produk Halal Berikan Kepastian

Hukum Bagi Konsumen”, <http://www.hukumonline.com/berita/baca/lt54241d9c5a5ed/uu-jaminan-produk-halal-berikan-kepastian-hukum-bagi-konsumen>, accessed on November 20th 2019).

2.3. RESEARCH METHODOLOGY

This research applies qualitative research methodology with descriptive approach. This study describes in detail the process of halal certification before and after the presence of Law No.33 year 2014. The description is then analyzed with descriptive analysis to see the impacts caused by changes in institutional halal certification as a result of the enactment JPH Law No.33 in 2014.

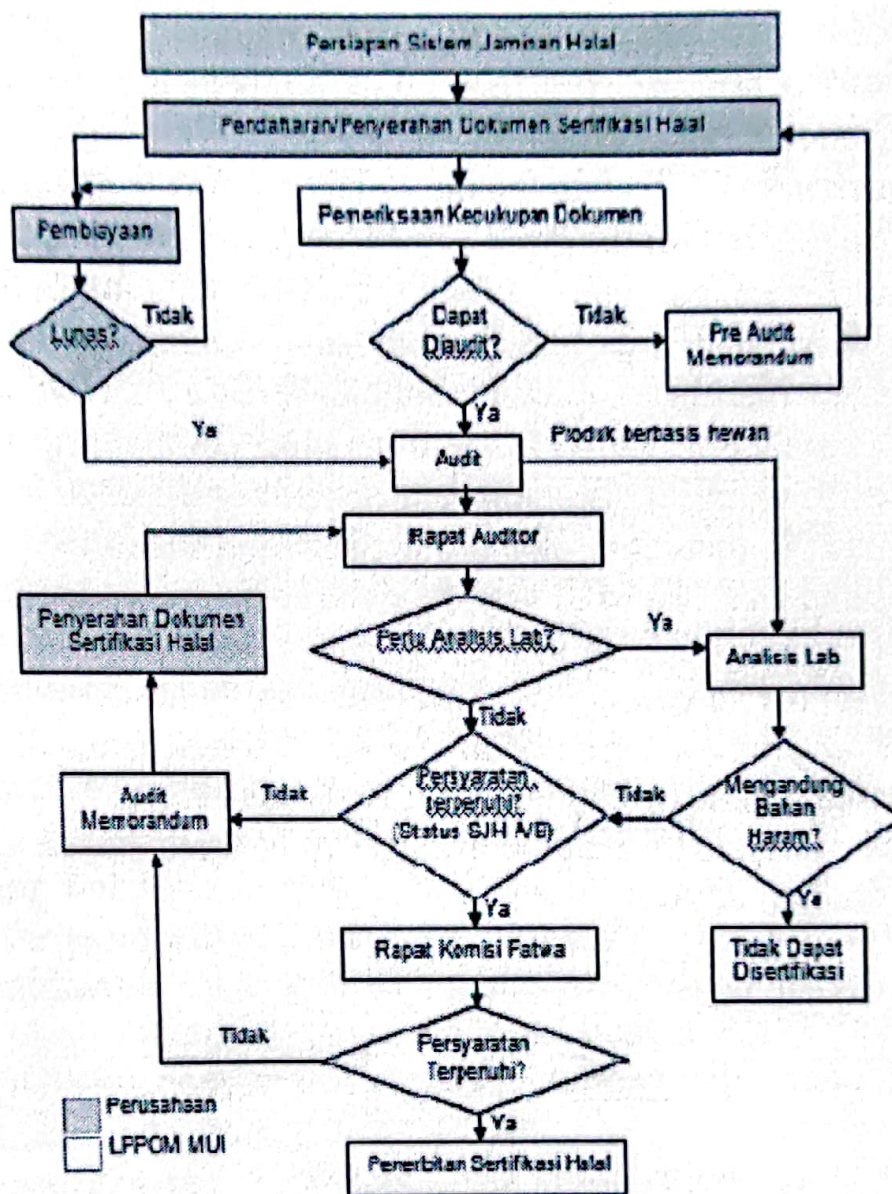
2.4. RESULTS AND DISCUSSIONS

Several questions about the halal certification process and its impacts on the halal certification process can finally be answered in this paper by asking some resource persons, discussing and existing literature.

Food Certification Process in Indonesia

In the halal certification process there is a halal guarantee system that is run by MUI through LPPOM MUI as a guarantor that food and beverages consumed are safe and healthy. There are two procedures that are carried out by business actors in the halal certification process, namely before and after the advent of Law No.33 year 2014

In the process and implementation of halal certification, LPPOM MUI cooperates with several institutions and ministries as well as a number of universities in Indonesia. Specifically with BPOM, LPPOM MUI cooperates in the inclusion of MUI halal certificates on packaging for products circulating in Indonesia. The following picture is the flow of the halal certification process carried out by LPPOM MUI before the implementation of the JPH Law. This scheme below is the halal certification process at LPPOM MUI before the implementation of the Halal Product Guarantee law.



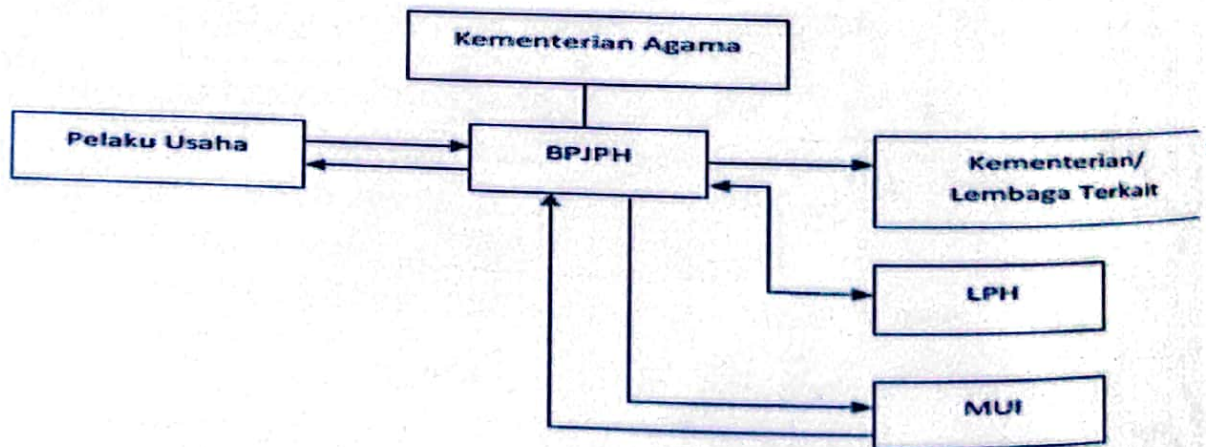
Based on the scheme above, business operators register halal certification directly to LPPOM MUI with two requirements that must be done before conducting an audit, namely completing documents and paying some costs. The cost needed to get halal certification are Rp1 million to Rp5 million per certificate for middle-up companies, and Rp0 to Rp2.5 million per certificate for small-medium companies, depends on the size of the company. The fee is the service fee used to audit on desk or on site. Transportation and accommodation costs do not include in conducting field audits. The cost of transportation and accommodation is determined by the company that is applying for certification and it is agreed by signing

in a contract with the company that is applying for a halal certificate. (<https://money.kompas.com/read/2014/02/26/1446338/Inilah.Biaya.untuk.Bisa.Raih.Label.Halal.dari.MUI>)

Currently, MUI has made halal certification requirements standard in the form of the HAS 23000 series of books which includes guidelines for food and processed products, restaurants and abattoirs (RPH). HAS 23000 was finally made as a standard in international forum called World Halal Food Council (WHFC). WHFC is a forum where all halal certification institutions meet from various countries in the world, which was established in 1999 in Jakarta. Until 2013, WHFC had 32 members of halal certification institutions from 17 countries and LPPOM MUI was believed to be the leader (president) of WHFC.

After the presence of Law No. 33 year 2014 the halal certification process is based on the Act. So that from the Act the halal certification flow changed as it is shown below:

The scheme of halal certification process based on Halal Product Guarantee Act



From the scheme above, business actors submit written requests for halal certification to BPJPH along with some documents that include business information; product name and type; list of products and ingredients used; and the production process then BPJPH requests the Halal Examination Institution (LPH) to carry out inspection and/or product testing that results are returned to BPJPH. The determination of LPH will be carried out within five days after documents are accepted and completed. (JPH Law No.33 year 2014)

After getting the results from LPH by investigating and examining, BPJPH asks MUI to follow up on the halal status of products that have been inspected by LPH. MUI will determine this through a fatwa trial which will take place within 30 days started when the report is accepted. In accordance with the results of the fatwa, the MUI submitted a Decision Letter on Halal Product Determination and BPJPH issued a halal certificate and halal label on the product if it was declared halal by MUI within seven days of the decision was received.

Halal certificate is valid for four years since it was issued by BPJPH. Business actors who have obtained halal certificates are required to provide a halal label on the packaging and some parts or places of the product that can be easily seen and read and are not easily removed, taken and damaged. Business actors who provide labels but do not comply with this provision will be subjected to administrative sanctions in the form of verbal warning, written warnings, or retraction of halal certificates. All costs required for conducting halal certification are borne by the business actor who submits the application. If business actor is the owner of the UMKM, halal certification costs can be facilitated by other parties, in this case the government through the state budget (APBN), regional budget (APBD), companies, social institutions, religion institutions, associations, and communities.

Regarding to the cost of halal certification, business actors should not be charged with any fees because halal certification is based on JPH Law that has become state's obligation to provide protection and guarantee for halal products that are consumed and used by the public. Therefore, all forms of costs arising from the implementation of JPH should be borne by the government. Halal certificates should also be interpreted as obligations and responsibilities of the government to provide public services (public service obligation) so that halal certificates are required by law to business actors do not become a burden for business actors.

Unlike the fees charged by LPPOM MUI for halal certification before the implementation of the JPH Law, halal certification was voluntary for producers. It was done by producers by some

considerations such as the benefits to improve the competitiveness of their products, and it is not part of government's. LPPOM MUI charges fees for the testing and certification process because LPPOM MUI is an independent non-governmental organization and requires funds for its operations. Therefore, it is common for LPPOM MUI to charge fees to business actors who apply for halal certification.

However, this change was not followed by the presence of Government Regulations and Ministerial Regulations, so that this Law could not be enforced. So far, the authority for halal certification still exists in MUI's LPPOM. Several issues that have arisen to pull back the halal certification process are one of the causes of Indonesia's halal food and beverage being an international halal hub. Complicated procedures and uncertain institutional changes have also become another problem.

Moreover, at this time there is an amendment of that law, because it is not in accordance with what is mandated. It has been agreed that after the Act is legalized the act must be implemented at least 2 years. However, until now the Act has not been implemented yet. Therefore, Government appointed LPPOM MUI to still take rule in the halal certification process. In addition, MUI Fatwa is used as a guideline that must be obeyed by all parties.

At the present time, the application for halal certification is not only done manually but can also be done online. The existence of digital facilities leads LPPOM MUI to be more creative to create an online application to help registers from the very first step of applying their registrations until the halal label is completed. LPPOM MUI also makes application for consumers to easily detect halal products that will be consumed. Institutional changes continue to change to make more efficient work. But the results still need to be proven. At present the Government Regulations and Ministerial Regulations related to the enactment of the Act continue to be discussed, in order to produce more effective and efficient regulations.

The Impacts of Institutional Change on the Halal Certification Process in Indonesia

Inevitably every institutional change has implications for every organization. The desire of one to other institutions to rule

the halal certification process make institutional changes must occur. The presence of monopoly allegations at the MUI has made the other relevant ministries to take part.

- a. MUI is not an official government-owned by government, but a voluntary organization that is willing to do the halal certification process. In practice, LPPOM MUI involved various ministries in the process of halal certification of food products, such as the ministry of health and the ministry of Religion. Currently, if it is related to the trading system of buying and selling halal products, the Ministry of Trade is also involved in the certification of halal food products. Even the Ministry of Industry can also be involved in this matter.
- b. MUI has so far been understood not as an official government-owned organization, but a voluntary organization that is willing to carry out the halal certification process. In practice, LPPOM MUI involved various ministries in the process of halal certification of food products, such as the ministry of health and the ministry of Religion. Currently, if it is related to the trading system of buying and selling halal products, the Ministry of Trade is also involved in the certification of halal food products. Even the Ministry of Industry can also be involved in this matter.
- c. Therefore, if halal certification is only handled by LPPOM MUI, there is an assumption that MUI monopolizes the halal certification process. Even though MUI is not an official state institution or its position cannot be compared with the ministry. After the presence of the JPH Law, there was a transfer of authority for halal certification from LPPOM MUI to BJPH Ministry of Religion.
- d. This movement is still a contradiction. It has been proven that until now these changes have not been fully implemented. Some of the impacts that can result from institutional changes in halal certification, namely:
 - 1) The standardization of halal products has changed to a higher quality than before
 - 2) Certification costs are no longer needed, because the halal

- certification process should be borne by the government
- 3) The halal certification process becomes more efficient because the procedure is shorter
 - 4) The issue of halal products is not a personal, group or group problem but rather a joint problem regulated by the government
 - 5) Halal food products are becoming more and more and Indonesia can realize its ideals as an International halal hub.

This impact can be seen directly and indirectly by both producers and by consumers. At present the general problem regarding halal food products is the lack of literacy and awareness of the necessity for certification of a product both by producers and consumers. Although consumer awareness has increased, it has not yet been followed by awareness of product certification by producers, especially UMKM. UMKM feels difficult and have not yet received maximum socialization related to the halal certification process. Especially UMKM in the regions (interviews, with Brudel tape UMKM owners in Situbondo). Which institution will take of the halal certification process is still debatable. Because even though the Halal Product Guarantee Law has been formed, in practice halal certification is still carried out by LPPOM MUI. Even the Halal Product Guarantee Act will be amended in accordance with the existing reality.

Therefore, institutional change is a new hope for the survival and development of halal food products in Indonesia. This institutional change must be responded very quickly so that Indonesia is not left behind in the development of halal products. So that Indonesia will not be only a country with the largest Moslim consumers, but also the largest producers.

2.4. CONCLUSION

In implementing halal certification there are several procedures that must be carried out by a producer. The procedure is different between

before and after the presence of JPH Law No.33 year 2014. There are several struggles of thoughts related to the halal certification process in Indonesia. This has led to institutional changes in the halal certification process. This institutional change also has brought impacts on the Indonesian halal food product cycle, because initially halal products only adhere to the MUI fatwa but now also refers to Law No. 33 year 2014.

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