

The Implementation of Hussel's Phenomenology in Halal Certification for Small Medium Enterprise (MSME's)

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Abstract:- This study aims, among others, to formulate a model for implementing the essence of halal certification in MSMEs in East Java. This study used a qualitative research method with a Phenomenological approach. Based on the discussion, it can be concluded that the model of implementing the essence of halal certification in MSMEs in East Java in the decision of MSMEs to choose and have halal certification is influenced by 4 (four) aspects of the essence of halal certification and the classification of essence from the perspective of producers and is based on MUI regulations on halal certification that support the development of MSMEs.

Keywords:- Halal, Hussels, MSME's Phenomenological and Certificate.

I. INTRODUCTION

The laws and regulations that require MSMEs to have halal certificates for products that this business must receive a response from the Community, namely MSME Producers. This regulation includes the obligation to have halal certification from the Halal Product Guarantee Implementing Agency (BPJPH) for products that enter, circulate and are traded in the territory of Indonesia, at least five years since this regulation was enacted.

The response of MSMEs to the Law and regulations that require them to have halal certification has received a positive response but is still not fully maximized to immediately register their products as an effort to obtain halal certification. This is due to several obstacles, according to Khalimy (2018), the problem in halal certification from the side of MSME producers is that there is still reluctance of producers for various reasons to comply with the Halal certification rules set by the government.

One of the reasons for reluctance is because of time issues, because for MSMEs, the effort to take care of certification will waste a lot of time, the procedures are not easy to understand so that some do not want to do certification even though the cost is free. Halal certification is an obligation for producers in Indonesia because the number of consumers

in Indonesia is at 24% of the world's Muslim population with a contribution of 2.2 trillion US dollars per year. This number is predicted to increase by 5.2% per year and reach 3.2 trillion US dollars in 2024. Indonesia as a country with the largest Muslim population in the world with a Muslim population of 299 million people is currently the largest importer of halal products in the world with a value of 167.9 billion US dollars. Research by Nur (2020) and Dharu et al. (2019) on the basic essence of the government strictly requires producers to carry out halal certification for goods produced and distributed in Indonesia, and those who violate will be subject to sanctions. Research by Dharu et al. (2019) and Nur (2020) describes the obligations of producers and the imposition of sanctions for those who violate.

Halal certification is very important for MSMEs in developing their products. As producers, MSMEs need halal certification. to develop a market share that is predominantly Muslim in Indonesia. The decision of producers to have halal certification is an important decision for producers.

The implementation of a strategy that is also commonly used by MSME producers is to implement Porter's generic strategies. Porter's generic strategies help East Java MSME producers identify how they can compete in a competitive business environment. This concept describes three different strategic approaches that MSME producers can adopt to achieve competitive advantage.

Based on the Central Statistics Agency, the number of recorded micro and small industries (IMK) in Indonesia in 2020 amounted to 4,209,817 businesses. Central Java is the province with the largest number of IMK, namely 898,162 businesses. East Java is in second place with the number of IMK as many as 828,482 businesses. Followed by West Java with the number of IMK as many as 625,943 businesses. Next, the number of IMK in Bali was recorded as many as 149,516 businesses. Meanwhile, in DI Yogyakarta, the number of IMK was 137,499 businesses. Meanwhile, the province with the smallest number of IMK is West Papua, namely 4,558 businesses. North Kalimantan and Papua are 4,963 businesses and 12,094 businesses respectively.

Currently, there are more than 65 million MSMEs spread throughout Indonesia. If only 1 percent, it means that around 650,000 have halal certification. Based on the halal

certification aspects of MSMEs in Indonesia, Table 1 explains below.

Table 1 Data on Halal Certified MSMEs in Indonesia

No	Province	Number of MSMEs	Percentage of Halal Certification	Number of certified MSMEs
1	Central Java	898.162	30%	269,449
2	East Java	828,482	20%	157,412
3	West Java	625,943	22%	125,189
4	In Yogyakarta	139,499	25%	34,875

Source: Kata data.com (2022)

Based on the data in table 1. it is explained that several provinces in Java regarding MSMEs that already have halal certification. The position of the province with the most MSMEs having halal certification is Central Java as much as 30% of the total number of MSMEs. Then followed by DI Yogyakarta as much as 25% of the total MSMEs. While the province of East Java has the least halal certification, which is only 20% of the total number of MSMEs.

Based on data on MSMEs that have halal certification, it appears that East Java province has the smallest percentage of MSMEs that have halal certification. However, if viewed from the quantity side, it can be said to be relatively large when compared to other provinces. East Java Province also has a halal industrial area that is being developed by the Government. This is one reason the research was conducted in East Java.

The description of the social phenomenon that occurs in producers in fulfilling the consumption of halal products reflects a social phenomenon of Husserl where each party in their activities and routines is based on awareness and intention to be able to fulfill halal needs in order to get a better life. Husserl's phenomenology is a science that talks about the essence of consciousness. Based on Smith's research, Husserl's phenomenology is built on at least two assumptions. First, human experience is an expression of consciousness. A person is aware of his own experience which is indeed subjective. Second, every form of consciousness is always an awareness of something. Food forms an image of food in someone's mind. The image is called Husserl as intentionality, namely that intentional awareness is always an awareness of something. In addition, there are aspects formed by the potential of producers, both regarding the understanding of halal certification, producer competence will form Husserl aspects which will later encourage producers to make decisions to have halal certification.

This study is a development of research conducted by previous researchers to produce more complete, comprehensive and broader updates. Based on the review of previous research, the research gap on halal certification from the perspective of producers. Research on the importance of halal certification was conducted by Mahmud (2013), Thabrani (2013), Aziz et al. (2019), Noordin et al. (2012), Etri and Yucel (2016), Shin et al, (2017) who found that, the existence of an essence or basic meaning or awareness of the importance of product halalness or product halal certification from the perspective of consumers is one of the things that can

increase the qualitative competitiveness of businesses for the Micro, Small and Medium Industry group. This study aims, among others, to formulate a model for implementing the essence of halal certification in MSMEs in East Java.

This research can create a concept of research study theory such as comprehensive rational theory. Adding to the treasury of various researches, especially in the discipline of management science with a non-positivist qualitative approach through the application of the Husserl Phenomenology method, especially regarding the essence of halal certificates and strategies for increasing the number of MSMEs or producers who include halal labels on every packaging of products produced.

II. METHOD

This study used a qualitative research method with a Phenomenological approach. Denzin and Lincoln (1987) in Moleong (2018) stated that qualitative research is research that uses a natural setting, with the intention of interpreting the phenomena that occur and is carried out by involving various existing methods by means of description in the form of words and language in a specific natural context and by utilizing various scientific methods. Because it uses a qualitative research method, the paradigm used in this study is non-positivist, especially critical theory.

The reason used Husserl's phenomenology is because Husserl's phenomenology is considered very appropriate because it is the object that seems to give birth to the theory of assumptions regarding the whole and its parts (universal and particular).

This study used four aspects in Husserl's Transcendental Phenomenology. Based on the aspects of Husserl's Transcendental Phenomenology, the core of each aspect is explained, which is then modified as a reference in making an interview guide that will be explored by exploring data from informants. Based on the results of the interview, it will be mapped from the results of data reduction and classified in determining the indicators obtained from qualitative data to form indicators that clarify aspects of Husserl's Transcendental Phenomenology. Then a classification is carried out from the results of qualitative data using triangulation of sources and time so that sub-themes are obtained from each aspect to form a model for implementing the essence of halal certification.

The method for determining informants in this study, the author used the snowball method. The informants in this study, namely the main informants, are East Java MSME actors who are Muslim.

III. RESULT AND DISCUSSION

➤ *The Implementation's Model for MSMEs in East Java Halal Certification Essence*

The halal food sector is currently a new opportunity to increase economic growth and development. It is said to be a new opportunity because not only countries with a Muslim majority but also Muslim minority countries are taking part in the development of the halal industry. Therefore, the Indonesian government is also trying to develop the domestic halal food and beverage industry to encourage the growth of the halal industry. In encouraging the acceleration of the implementation of halal standards where one of the things needed is halal certification, Law Number 33 of 2014 concerning Halal Product Assurance was issued, Article 4 states that halal product certification is mandatory. To support the development of the halal industry itself regarding efforts on how to implement halal products in each region in East Java.

MSMEs who have superior food and beverage products must be aware of the importance of halal certification in expanding marketing. Producers of superior food and beverage products in East Java admit that with the existence of halal certification, products will be able to enter small and large-scale trade. Because halal certification is an absolute requirement to supply products to modern markets, mini markets, supermarkets or even large malls. But more than that, in addition to the halal value brand supported by recognition and certainty of halal guarantees from the authorities, it is believed that it will make it easier for products to various markets.

MUI regulation on halal certification is explained with MUI policy on halal product licensing, implementation of regulation and MSME response to regulation. The explanation of each indicator is explained below.

➤ *MUI Policy on halal Certification Licenses*

The halal essence model for MSMEs is based on the existence of the Halal Product Guarantee regulation Law Number 33 of 2014 concerning Halal Product Guarantee and Law Number 11 of 2020 concerning Job Creation mandates a Government Regulation. PP 39 of 2021 concerning the Implementation of Halal Product Guarantee is a regulation implementing the mandate of Law Number 33 of 2014 concerning Halal Product Guarantee and Law Number 11 of 2020 concerning Job Creation.

Government Regulation on the Implementation of the Halal Product Assurance Sector. The obligation to have halal certification also applies to MSMEs that produce products. Article 4A paragraph (1) of the JPH Law stipulates that "For Micro and Small Business Actors, the obligation to have halal certification as referred to in Article 4 is based on a statement from Micro and Small Business Actors. Based on these laws

and regulations, the MUI also issues regulations on halal certification that must be understood by MSMEs.

MUI's recommendation requests that the inclusion of halal certificates on product packaging be an obligation for MSME producers, not just a voluntary effort. In addition to satisfying consumers, on the other hand it can also increase the quality of their products in the local and international markets. Having a halal certificate and sign can be a standard measure of the quality of food products for producers. Consumers' expectations are that after seeing the label, they can perceive whether the product is in accordance with their wishes and is safe for consumption, and also does not violate norms or teachings of belief (religion).

There are three actors regulated in Law No. 33 of 2014, involved in the Halal Certification process, namely BPJPH, Halal Inspection Institution or LPH, and MUI. Each party already has its duties and responsibilities in the halal certification stages, from the submission of the product owner to the issuance of the certificate. BPJPH, for example, has the task of establishing rules/regulations, receiving and verifying submissions of products to be certified halal from Business Actors (product owners), and issuing halal certificates along with halal labels.

Meanwhile, the Halal Inspection Institution (LPH) is tasked with conducting inspections and/or testing the halalness of products submitted for halal certification. This inspection is carried out by halal auditors owned by LPH. The third party that plays a role in the halal certification process is the MUI. MUI has the authority to determine the halalness of products through halal fatwa hearings. This halal determination is related to both standards and product halalness.

Halal certificates issued by BPJPH are based on the halal determination of the MUI. Head of the Halal Certification Registration Center of BPJPH Mastuki added that in this synergy pattern, BPJPH cannot issue a Halal Certificate if there is no halal determination from the MUI (through a fatwa session). This is because the MUI halal determination is the fulfillment of aspects of religious law (Islamic sharia). Meanwhile, the halal certificate issued by BPJPH is a form of administration of religious law into state law. The Indonesian Halal Label can only be included on product packaging after receiving a halal certificate from BPJPH. Regarding the Halal Inspection Institution, there are three LPHs that have carried out their duties in carrying out inspection and testing of product halalness in the halal certification process. The three are LPH LPPOM MUI, LPH Sucofindo, and LPH Surveyor Indonesia.

In addition, there are nine institutions whose accreditation applications have been completed and verified to become LPH. They are the Salman Mosque Development Foundation ITB Bandung, the Pekanbaru Riau Industrial Product Development and Standardization Center, the Hidayatullah Central Board of Directors Jakarta, the Muhammadiyah Thayyiban Halalan Study Jakarta, the Certification Center of the Directorate of Standardization and Quality Control of the Ministry of Trade, Hasanuddin

University Makassar, the Bersama Madani Foundation of Padang City, West Sumatra, Brawijaya University Malang, East Java, and Syiah Kuala University Banda Aceh. Of that number, eight institutions have completed the system integration process, while one institution is still in the system integration process.

➤ *Implementation of MUI Regulations on MSMEs*

Halal certificate from the Indonesian Ulama Council (MUI). A halal certificate is a certificate stating that a product (food, beverage, etc.) does not contain prohibited elements, or that the raw materials and processing are carried out using production methods that meet Islamic sharia criteria. In Law No. 33 of 2014 concerning Halal Product Assurance, it has been regulated that every product that enters, circulates, and is traded in the territory of Indonesia must be halal certified, except for prohibited products.

The category of "products" in the law includes goods and/or services related to food, beverages, drugs, cosmetics, chemical products, biological products, genetically engineered products, and goods used, utilized, or utilized by the public. Medium-sized business actors (SMEs) related to culinary or food products should have this halal certificate, in addition to a distribution permit from the BPOM RI or local Health Service (SPP-IRT). The certificate is in hand, you are calm in running your business, and the public feels safe using your products.

Procedures for making halal certification to the Food, Drug and Cosmetics Assessment Institute of the Indonesian Ulama Council (LPPOM-MUI). MSMEs who wish to obtain halal certification from LPPOM MUI, both processing industries (food, medicine, cosmetics), slaughterhouses (RPH), and restaurants/catering/kitchens, must register for halal certification and meet the halal certification requirements.

MSMEs actors who have superior food and beverage products in East Java province have begun to realize the importance of halal certification in expanding marketing. Producers of superior food and beverage products in East Java province admit that with the existence of halal certification, products can enter small and large scale trade. Because halal certification is an absolute requirement to supply products to modern markets, mini markets, supermarkets or even large malls. But more than that, in addition to the halal value brand supported by recognition and certainty of halal guarantees from the authorities, it is believed that it will make it easier for products to various markets.

The other than that, halal certification ensures consumers of the halalness of their products, even though the producers themselves are convinced that their products are halal. Halal certification ensures that producers will continue to develop their products. In addition, it was also conveyed by other MSME actors that the halal label will be an added value to the products being marketed. When there is recognition through the halal logo, producers feel that everyone who consumes the products they make will feel more confident and confident in buying their products.

Based on the existing conditions, this is actually the basic capital for the availability of a halal ecosystem in the province of East Java, because if the awareness of the importance of halal certification as a guarantee of halal products has become part of production for MSME actors, then halal certification can be socialized and well received by all communities and then a halal product ecosystem is created. The obligation of halal certification as mandated by Law no. 33 of 2014 needs to be realized in relation to the formation of a halal ecosystem. In certain areas that are thick with Islamic values that view the absoluteness of consuming halal goods, it has existed and become part of society

IV. CONCLUSION AND RECOMENDATION

Based on the discussion, it can be concluded that the model of implementing the essence of halal certification in MSMEs in East Java in the decision of MSMEs to choose and have halal certification is influenced by 4 (four) aspects of the essence of halal certification and the classification of essence from the perspective of producers and is based on MUI regulations on halal certification that support the development of MSMEs. With this model, supervision and socialization of halal certification will increase the decision of MSMEs to have halal certification in developing their business.

Suggestions that can be submitted include to further strengthen the understanding of the essence of halal certification of MSMEs in East Java province which is starting to grow, Further research can also be done with a mix method so that it is not only from qualitative data but combines quantitative data for more general results. Further research can also be done using a quantitative approach using different alternative models.

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