



Halal Certification Perspective of Small Micro-Entrepreneurs in Pasuruan Regency

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Keywords

Halal Certification;
Perspective; Small Micro
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Abstract

The enactment of halal product assurance regulations on small micro-enterprises requires small micro-entrepreneurs to accelerate halal certification. This situation has caused various responses in the community, especially micro and small businesses, as one of the target recipients of the Halal Product Guarantee Law regulation. This situation is a serious concern for the author, who wants to know more about halal certification from the perspective of small micro-entrepreneurs in the Pasuruan Regency. The problem formulation in this study is as follows: 1) What is the perspective of small micro-entrepreneurs on halal certification in the Pasuruan Regency? 2) What are the implications of halal certification for micro-small businesses in Pasuruan Regency? The objectives of this study are 1) To understand the perspective of small micro-entrepreneurs on halal certification in Pasuruan Regency and 2) to find the implications of halal certification for small micro business businesses in Pasuruan Regency. This qualitative research uses a phenomenological approach to see and answer problems based on concrete conditions experienced by research subjects, namely small micro-entrepreneurs in the Pasuruan Regency. The research data was obtained from observations, interviews and documentation of small micro-entrepreneurs in Pasuruan Regency. The results showed 1) halal certification, the perspective of small micro-entrepreneurs is divided into three typologies: first, the typology of small micro-entrepreneurs who are pro with halal certification. Second, the typology of small micro-entrepreneurs who contradict halal certification. Third, a neutral typology of small micro-entrepreneurs with halal certification. 2) Implications of halal certification for small micro-entrepreneurs: First, there are implications for small micro-entrepreneurs who are pro with halal certification. Second, the implications for small micro-entrepreneurs who contradict halal certification. Third, the implications for neutral micro-small entrepreneurs with halal certification.



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1. Introduction

A crucial theme for Muslims is the issue of halal and haram. The Indonesian Ulema Council (MUI) issued a written fatwa regarding halal certification of products given to business actors through the Halal Product

Assurance Organizing Agency (BPJPH) to acknowledge halal products in the form of halal certificates. The halal certification process is carried out through examinations by competent inspectors in their fields to determine the halal status of products in the form of halal certificates (Jakiyudin & Fedro, 2022). Halal product certification is a response because Indonesia has the largest number of Muslims worldwide and has a potential market share for halal product production and distribution activities. Halal products are a symbol of hygiene, safety, and high quality for Muslim consumers. Halal certification guarantees product safety for Muslims when consuming products, as evidenced by including the halal logo on product packaging (Arsil, Tey, Brindal, Phua, & Liana, 2018).

The legal umbrella of halal certification in Indonesia is the Halal Product Assurance Law, which has regulated many halal product assurance regulations. The regulation is the central act for halal product regulation in ensuring the halalness of a product, which includes aspects of material inventory, processes and production results in a series of activities carried out by the Halal Product Companion (PPH). Thus, to ensure the halalness of products, halal certification is part of implementing Halal Product Assurance (JPH), which has benefits and implications in various fields, especially economics (Kasdi, 2018).

The Halal Product Assurance Authority in Indonesia is implemented by the Halal Product Assurance Organizing Agency (BPJPH) of the Ministry of Religious Affairs, established based on a 2014 regulation. BPJPH is an official implementing body that has carried out mandatory halal certification services since October 17, 2019. Implementing the regulation by BPJPH is in synergy with the Ministry of Religious Affairs and the Ministry of Cooperatives and Small and Medium Enterprises. Food and beverage products must be certified with the staging regulations for halal certification obligations. This regulation is one of the laws in the Omnibus Law structuring cluster (Anam, Sany Sanuri, & Ismail, 2018). In its implementation, BPJPH is given full authority to carry out halal product guarantee regulations. BPJPH also plays an important role in improving Indonesia's ranking in the global halal industry so that in 2022, Indonesia's halal food sector rose two places to second place in the State of the Global Islamic Economy Report 2022; this can maintain Indonesia's ranking on Islamic economic indicators at the fourth rank in the international arena. This condition is in line with the research results (Hidayat & Siradj, 2015), which strengthens the assumption that the country of origin significantly affects purchase intent, especially in fast food products. The study also explained that millennial consumers in Indonesia already have a point of view and perception about the country of origin of halal fast food in Indonesia. BPJPH has the duty and authority to support the acceleration of the halal certification process, especially for Micro Small Enterprises, now referred to as MSEs, because MSEs have become the main focus of mandatory halal certification policies since the enactment of regulations regarding Halal products assurance (JPH). The registration process and tariff application are carried out digitally to increase efficiency. The special policy of zero rupiah tariff for MSEs with turnover criteria below Rp 1 billion was started by the Ministry of Cooperatives in 2015 to 2019, and the institution has facilitated halal certification for 766 MSEs. The impact of this policy is an increase in the average turnover of MSEs by 8.53 per cent after obtaining a halal certificate. In addition, the Ministry also plays an active role in supporting the national campaign movement "Proud of Made in Indonesia" by accelerating the halal certification process through multistakeholder collaboration. This collaboration aims to facilitate the registration of halal certification of Micro Small Business products (Qomaro, Hammam, & Nasik, 2019).

The role of Micro Small Enterprises (MSEs) in the national economy is very important because MSEs are one of the economic forces with strategic value. MSEs can compete both at the local and global levels. Moreover, Indonesia has wide opportunities in the halal product industry. Various parties did not waste this opportunity. The existence of synergy and cooperation with multiple parties will encourage the development of halal products for small micro-enterprises. The impact of this cooperation can strengthen the national economy as a whole. The role of the government is to guide the MSE sector by providing standards that accompany the application of the halal industry (Hammam, 2022). This is in line with the results of research from Lestari, F. et al. that government agencies in Indonesia can measure the application of Halal Good Manufacturing Practices (HGMP) in food sector MSEs and guide MSEs to achieve halal quality standards.

Micro Small Enterprises in Indonesia have contributed greatly to the national economic sector. As many as 99 per cent of MSEs contribute primarily to the structure of the Indonesian economy. As many as 23.9 per cent of them have entered digital platforms locally and globally. Of this figure, only 14 per cent can penetrate the global market. This situation is caused by one of the standards to penetrate the global market, which is halal

certification on the products produced. Therefore, easy standards are needed in assisting MSEs in implementing halal standards as a study conducted by Giyanti in 2020 aims to investigate factors that affect the level of deeper compliance with halal standards in micro-small enterprises in the food processing sector that have obtained halal certification (Farhan, 2018). The second objective of this study is to empirically examine the effect of halal standard practices on the performance of MSEs.

The increase in halal products in Indonesia is important to know by looking at the state of consumers in the community. In response to this situation, one of the studies aims to increase knowledge about awareness and intention to choose halal products. The results of the study have assessed the influence of intrinsic religiosity and knowledge of halal products on awareness and purchase intention of halal products. This study also investigates and examines the role of halal product awareness in mediating the relationship between personal intrinsic religiosity and halal product knowledge with halal product purchase intention. This knowledge can be meaningful for the community because there are still many types of products that have not been halal-certified circulating in the Muslim market segment.

The results of the above study have differences with research written by Muflih, M. and Juliana, J., which aims to estimate the influence of spirituality on food shopping behaviour labelled halal both directly and through the mediating role of image, trust and satisfaction. The study showed that the direct relationship between spirituality and halal-labelled food shopping behaviour had no significant effect. However, the relationship between spirituality and halal food shopping behaviour is indirectly substantial because of the mediating role of image, trust and satisfaction. These findings confirm that image, trust, and satisfaction are influential factors for improving consumer shopping behaviour by choosing foods labelled halal over spirituality. This situation shows that consumers' religious spirituality has not had a significant influence on the selection of halal products (Yudha & Pauzi, 2020).

The survey results of the Central Statistics Agency (BPS) show that the number of micro-small enterprises is approximately 64.2 million in Indonesia. The government is committed to MSEs continuing to contribute to the Indonesian economy because MSEs have absorbed 97% of the total workforce and have collected 60.4% of the total investment. The government continues to strive to improve the scale and management capabilities of micro-small enterprises so that they can move up. One of them is by providing ease of business licensing for low-risk MSEs in the form of a Business Identification Number (NIB) as a single license. Low-risk MSEs get the privilege of a single permit, namely NIB, which applies as legality, as well as SNI and halal product guarantee statements.

East Java Province targets as many as 1.5 million MSE products to be halal certified by 2022 as an effort to encourage the community's economy through halal certification of micro and small business products. The Micro Small Enterprises sector mostly drives the wheels of the economy in East Java. Because small enterprises contributed to the Gross Regional Domestic Product (GRDP) in 2019 by 56.94% in East Java, of this amount, MSEs in the food and beverage sector contributed 34.96%. East Java Governor Khofifah Indar Parawansah, in 2022, said that the halal certification assistance program and the expansion of the curation house launched by Bank Indonesia are needed to achieve this target. This has also been conveyed by the Head of Bank Indonesia, Representative of East Java Province, that the lively National Proud of Made in Indonesia Movement (Gernas BBI) is proof that East Java also fosters a sense of love and pride for products made in Indonesia. This activity is also in line with the Optimistic East Java Rising 2022 program, which focuses on expanding curation houses, obtaining curator certification, and obtaining halal certification through the halal pledge scheme. These various activities are expected to have a multiplier effect on the performance of MSEs in East Java. In support of this activity, the Bank Indonesia Representative Office of East Java Province, in collaboration with the Indonesian Chamber of Commerce (Kadin), expanded the curation house. The target of the curation house has reached 1,000 curated MSE products in order to have good quality and feasibility standards so that in the future, micro and small business products can be marketed nationally and be able to compete globally. In this program, East Java Province also targets as many as 1.5 million MSE products to be halal certified by 2022 as an effort to encourage the community's economy through product certification.

East Java Province also has data on halal-certified small industries sourced from the Indonesian Ulema Council (MUI), as many as 2,039 small industries, and as many as 184 halal-certified small industries sourced from BPJPH. Support for halal certification of micro and small business products was also provided by the Department of Industry and Trade (Disperindag) of East Java Province by facilitating halal certification to 385

Small and Medium Industries from 2017 to 2019. The East Java Industry and Trade Office, in collaboration with the Government, facilitated halal certification for MSEs as many as 428 business units in 2020.

Pasuruan Regency is known as the city of students and has the most small industries compared to large industries and medium industries. The number of micro-small enterprises should be increased and developed as a regional economic sector as halal-certified MSE products. These small micro-enterprises also have many roles in improving the economy and society in the community, including as a major player in economic activities, providing employment, playing a role in local economic development and community empowerment, a source of innovation, creating new markets, and contributing to the balance of payments, so that micro, small business products in Pasuruan Regency are increasingly developing in the community, especially food and beverage products.

Increasing public understanding of halal certification continues to be carried out with various activity programs in the Pasuruan Regency. Some of the activities that have been carried out start from the socialisation of halal certification, facilitation of Halal Product Companions (PPH), and providing free halal certification through self-declare. One of the positive responses shown by religious organisations to accelerate the halal certification program for MSE products in the Pasuruan Regency is to cooperate with the government. Unfortunately, there are still many MSE products that have difficulty entering the modern market in the Pasuruan Regency due to product legality constraints, one of which is halal certification. Some of the requirements for the legality of food and beverage products are business identification number (NIB), household industry production certificate (PIRT), halal certificate, nutritional test, trademark, and permit from the Food and Drug Supervisory Agency (BPOM). A special team under the supervision of the Office of the Ministry of Religious Affairs, namely the Pasuruan Regency BPJPH Task Force (Satgas), has carried out tasks and functions in the service and provision of facilities for the halal product certification process as a daily task. This is evidenced by the increasing number of business groups, MSE business actors, and cooperative groups who invite and request collaboration with the Pasuruan Regency BPJPH Task Force to explain the role of BPJPH in determining the halalness of a product and procedures in submitting and handling halal certificate applications (Basuki & Suwarno, 2021).

Studies on halal certification have been conducted by many previous researchers, as written by Waluyo, with the title "The Influence of Religious Understanding, Motivation to Get Profit and Level of Education on Halal Certification Awareness for Food Producers in Sleman and Bantul Districts". The study aims to determine whether religious understanding influences motivation to obtain benefits and the level of education on awareness of conducting halal certification for food producers in Sleman and Bantul. In this study, multiple regression analysis was carried out using a quantitative approach to determine the independent variables that had a greater significant influence. Independent variables consisting of religious understanding, motivation to get profit, and level of education together influence the awareness of halal certification for food producers in Sleman and Bantul. The overall influence of independent variables on halal certification awareness reached 66.7%. The results of the analysis showed that the variables of religious understanding and motivation to get profit had a significant influence on the dependent variable, namely the motivation to carry out halal certification (Rezazadeh & Mahjoub, 2016).

From the introduction, it was explained that previous research discussed halal certification's effect on consumer perceptions and behaviour in terms of factors that influence interest in halal-certified products. Previous research has also examined halal certification from the point of view of religious understanding, education level, and motivation to get profit. This research is more focused on the point of view of Micro Small Business actors in the Pasuruan Regency area with the research theme Halal Certification Perspective of Small Micro-Entrepreneurs in Pasuruan Regency, which has not existed in previous research by emphasising the views of small micro-entrepreneurs in Pasuruan Regency so that as a novelty of this study, the opinions or perceptions of Micro Small Enterprises about halal certification.

The objectives of this study are as follows:

1. To Understand the Meaning of Halal Certification Perspective of Micro Small Entrepreneurs in Pasuruan Regency
2. To discover the Implications of Halal Certification for Micro Small Business in Pasuruan Regency

2. Materials and Methods

Types of research

The design in this study uses a qualitative approach. Qualitative methods are used to describe and understand phenomena experienced by research subjects, such as actions, behaviours, perceptions, efforts, motivations, and other aspects. According to Sugiyono, qualitative research has a function in setting the focus of the study, choosing informants as data sources, collecting data, evaluating data quality, and producing conclusions based on findings in research.

Research Approach

The phenomenological approach in the research on Halal Certification from the Perspective of Micro Small Entrepreneurs in Pasuruan Regency seeks opinions from informants, whether this is true or false. However, the phenomenon will try to reduce the awareness of informants, namely micro and small business actors, in understanding halal certification as a whole. The economic phenomenon under study is an entity that cannot be separated because the economic activity that occurs among Micro Small Enterprises (MSEs) is not the result of one or two factors but involves various interrelated factors. This factor is related to economic reality, which is closely related to profit, social awareness related to halal certification of micro and small business products and business continuity.

Data Type

The types of data in this study are primary data and secondary data and can be explained as follows:

a. Data Primer

Primary data was collected directly for the specific purpose of informant sources to explore in-depth information about the Halal Certification Perspective of Micro Small Entrepreneurs in Pasuruan Regency in the food and beverage business, which amounted to 100 MSE actors who were halal certified and classified into five categories of business actors 1) snacks 2) various drinks 3) bread and snacks 4) various chips 5) tape products. From the classification of informants, 22 informants who already have halal certification on Micro Small Enterprises (UMK) products were obtained as key informants and as the first source in conducting observations, interviews and documentation.

b. Data Seconds

The second data source used is secondary data, which aims to provide support to the research being conducted. Secondary data can also be considered as additional data that can be used to enrich the data to suit the researcher's goals. Secondary data can be obtained from various sources, including documents on activities and implementation of halal certification for Micro Small Enterprises (UMK) and profiles of Micro Small Enterprises (MSEs) in Pasuruan Regency. This can be examined through literature books, journals, online news, websites, and other sources that are considered relevant to this research study. In this study, secondary data were obtained from the Ministry of Religious Affairs of Pasuruan Regency, BPS Pasuruan Regency, and PPH data of Pasuruan Regency, PPH District. Data from the Ministry of Cooperatives and SMEs.

Data Collection Techniques

a. Observation

The observation was carried out directly, with several stages, to obtain information about Halal Certification from the perspective of micro-small entrepreneurs in Pasuruan Regency. In this study, observations were made directly on micro-small business actors in Pasuruan Regency. Using this observation technique, researchers were able to produce several descriptions of Halal Certification from the Perspective of Micro Small Entrepreneurs in Pasuruan Regency. Through observation, researchers not only see what is on the surface but also what lies behind the informant's consciousness. Researchers follow as much as possible the economic activities of MSE actors, such as being consumers of the products produced or as resellers of their products. Researchers can read the inner motives of MSE behaviour in conducting halal certification. Furthermore, participant observation of various activities of MSE actors at the research location is carried out carefully so that the observed data is not lost just like that. The strategy carried out is to record as soon as possible once the observation involved is completed.

Interview

The interview was used to further explore data and information about Halal Certification from the Perspective of Micro Small Entrepreneurs in Pasuruan Regency obtained from observations. One of the most suitable methods to gain a deep understanding of the meaning behind the implementation of halal certification is through an in-depth interview. This method is used to obtain data through direct interviews between researchers and people who provide information using interview lists.

Structured interviews are conducted at the scene, at home or the production site and in owned trade stalls. Interviews conducted at the scene, for example, when production activities take place in the home industry, researchers will conduct interviews with MSE owners about the implications of halal certification of micro-small businesses.

Data Analysis

Data analysis in the Halal Certification Research Perspective of Micro Small Entrepreneurs in Pasuruan Regency uses a data processing model that refers to coding phenomenology.

Research Location

Data in the field of qualitative research can be done by determining the research setting. In this study, the research location or place chosen to conduct research was Pasuruan Regency. This location was selected because Pasuruan Regency is an area that has the largest number of MSEs, especially food and beverages. In addition to having the highest number of MSEs for food and beverage products compared to non-food MSE businesses, this region is very representative of the subject of research. Pasuruan Regency also has economic potential that is very likely to be developed to be used as finished processed products such as food and beverages.

3. Results and Discussions

Halal Certification

According to Scholars

The Qur'an and Hadith, as sources of Islamic law, clearly stipulate that there are halal and haram provisions for Muslims. Food, medicine and cosmetics, some are halal, and some are haram consumed or used. Similarly, with biological chemical and genetically modified products or other products, there are often doubts about its halal - haram. The Qur'an and Hadith are guidelines for Muslims always to consume food and drink that halal.

Food is an important need for humans. When choosing food, most consumers prioritise the taste of food rather than paying attention to halal. However, in accordance with the teachings of Islamic Sharia, Muslim consumers want assurance that the products they consume meet the requirements of halal and sanctity. In the concepts of halal, haram, and shubhat, there are spiritual values that reflect the high and low morals of a person. Therefore, Islamic sharia is very concerned with determining the status of halal, haram, or dubious (shubhat) of the food consumed.

In the Islamic perspective, only those goods that exhibit good values and will bring benefits both materially and spiritually may be consumed by mankind as Allah says QS Al-Maidah: 88:

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

"And eat food that is better than what Allah has provided for you, and be devoted to Allah whom you believe in Him (QS Al-Maidah: 88)"

The command to consume food that is halal is explained by Allah Almighty in Sura Al-Baqarah: 168:

يَا أَيُّهَا النَّاسُ كُلُوا مِمَّا فِي الْأَرْضِ حَلَالًا طَيِّبًا وَلَا تَتَّبِعُوا خُطُوَاتِ الشَّيْطَانِ إِنَّهُ لَكُمْ عَدُوٌّ مُبِينٌ¹

"O men, eat of what is good on the earth, and do not follow the steps of Satan, for verily Satan is a real enemy to you."

¹ al Qur'an, 2: 168.

Islam views economic activity as a means of meeting the needs of life, not only limited to providing material needs but also oriented towards the welfare of life in the world and the Hereafter. The well-being of the world can be explained as everything that provides happiness and comfort in life in the world, including in physical, intellectual, biological, and material terms.

There is advice in Islam regarding consumption behaviour guided by Sharia. Islam has a set of ethics and norms that must be held when a person carries out consumption activities, and one of the important aspects of the principle of consumption in Islam is cleanliness. This cleanliness is not interpreted in a narrow sense. Still, it is interpreted broadly, including the consumption of food that *halal* and *haram* according to teachings in religion. The representation of productivity for Muslims in the economy is a logical consequence of Islamic teachings in the economic aspect that aims to achieve prosperity, namely *halal*. *Halal* and *haram* are the laws, and at the same time, the main issues in Islamic sharia have clearly been addressed by the Prophet Muhammad (peace be upon him). *Halal* is the opposite of *haram*. *Halal* refers to everything true and permissible by religion, not things forbidden by Allah Almighty, which should be abandoned and shunned. All that *halal* is good (*halal*) for man. On the contrary, all that *haram* is bad (*haram*).

The next principle is to forbid what is *halal* and to legalise what is *haram* as polytheism. If Islam condemns those who forbid and those who perforce, then, in particular, it condemns those who forbid because the tendency of such behaviour to imply violence against humans and, without the right reason, narrows down something that Allah Almighty has laid. The Holy Prophet (peace be upon him) combated these *rigid* and *rigid* tendencies in various ways.

In carrying out daily life, Muslims will never escape the judgment of Sharia law'. Sometimes, their actions are considered mandatory when they do so in order to fulfil mandatory requirements such as five daily prayers, zakat, Ramadan fasting, and other obligatory worship. Similarly, his actions are considered *haram* when they include violations of the prohibitions of Allah Almighty. In short, obligatory *sunnah*, *haram*, *makruh*, and *mubah* are laws that are the judgment of Sharia law on the actions of Muslims.

In this era of globalisation, the problem of religiosity cannot be separated from the consumption behaviour of a Muslim. It is interesting that, in the last 2 (two) decades, the term *halal*, as told by Mian N. Riaz, has become very popular in Europe, especially among industries that produce food and beverages for export to Islamic countries. Getting information about "halal food" is important to help Muslim consumers ensure the variety of food that is available and circulating in the market.

In the case of food, drinks and goods used for example, Muslims are also bound by the provisions of *can* and *cannot*. Muslims are commanded to eat and use good, pure and clean ingredients. This commandment of Allah SWT is written in several verses in the Qur'an, in the letter of Al-Baqarah verse 168, Allah SWT said:

يَا أَيُّهَا النَّاسُ كُلُوا مِمَّا فِي الْأَرْضِ حَلَالًا طَيِّبًا وَلَا تَتَّبِعُوا خُطُوَاتِ الشَّيْطَانِ إِنَّهُ لَكُمْ عَدُوٌّ مُبِينٌ²

Meaning: O men, eat what is lawful again good from that which is on earth, and do not follow the steps of Satan; For surely Satan is a real enemy to you. (QS Al Baqarah: 168).

Understanding Micro Small Business

Micro Small Enterprises (MSEs) are one of the important economic actors in Indonesia. Because the number is significant and can absorb an extraordinary amount of labour. The existence of MSEs is interesting to study at every stage of the nation's economic development journey since its birth, which became the concept of thought of the founding fathers, and its role in the creation of national welfare. Micro Business is a productive business owned by individuals and individual business entities that meet the criteria for Micro Business as stipulated in this Government Regulation. In recent decades, entrepreneurship has been the driving force behind the socioeconomic development of a country. There is no historical explanation of the birth of MSEs in Indonesia. Often, MSEs are only translated as businesses that are run by small people with small capital. No one knows exactly when small micro-enterprises existed on this earth. However, when viewed from its activities, MSEs are an inseparable part of people's lives in meeting their needs, namely economic and trade activities.

Micro-small enterprises have proven to be an important factor in maintaining national economic stability amidst the challenges of diverse crises. The MSME sector also contributes significantly to the Gross Domestic

² al-Qur'an, 2: 168.

Product (GDP) in creating jobs, so the Government continues to be committed to providing support as a form of alignment for the progress of MSMEs. There are six important role points in the Job Creation Law for MSEs and Cooperatives, which contain a series of policies to answer the challenges for Cooperatives and small micro-enterprises so as to encourage MSMEs to move up. A number of these policies aim to facilitate access to licensing, supply chain access, business development access, financing access, and market access for cooperatives and MSEs. One of the government's efforts to provide support to MSMEs is carried out by encouraging the strengthening of the MSME ecosystem and e-commerce, namely through Law Number 11 of 2020 concerning Job Creation. The enactment of the Job Creation Law aims to facilitate access to licensing, supply chains, business development, financing, and market access for MSME actors.

The government also provides ease of doing business for MSMEs. This breakthrough was made through the Job Creation Law. This effort continues to be carried out by the Government so that the national economy becomes more efficient and competitive in the global market and can become part of the Global Value Chain, such as MSMEs in Japan and Germany. In addition to the ease of business licenses, the Government also provides various other facilities, such as financing support through the People's Business Credit (KUR), which MSMEs can access. In 2022, the Government increased the KUR ceiling to IDR 373.17 trillion and extended the additional KUR interest subsidy by 3% until the end of 2022. This policy is to assist MSEs in strengthening business capital without being burdened with high interest. Another advantage of the Job Creation Law is that the government issued PP Number 7 of 2021 concerning the Convenience, Protection, and Empowerment of Cooperatives and Micro, Small and Medium Enterprises. The Job Creation Law comes through a process of digital transformation and industrialisation for MSEs and Cooperatives to move up.

The new MSME criteria are regulated in Article 35 to Article 36 of the MSME PP. Based on this article, MSEs are grouped based on criteria for working capital or annual sales results. Business capital criteria are used for the establishment or registration of MSME activities established after the MSME PP takes effect. The capital criteria consist of the following:

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Tabel 1
Perbedaan UU UMKM dan PP UMKM

Indicator	Law Table 1	PP MSMEs
	The Difference Between MSME Law and MSME PP	

MSME Grouping	MSMEs are grouped based on net worth or annual sales results. Net worth is the amount of assets after deducting debt or liabilities.	MSMEs are grouped based on the criteria of working capital or annual sales results. Business capital is own capital and borrowed capital to carry out business activities.
Net Worth or Working Capital	<ol style="list-style-type: none"> 1. Micro Business: up to Rp50 million 2. Small Business: more than IDR 50 million – maximum IDR 500 million 3. Medium Enterprises: more than IDR 500 million – a maximum of IDR 10 billion, excluding land and buildings for business premises. 	<ol style="list-style-type: none"> 1. Micro Business: at most IDR 1 billion 2. Small Business: more than IDR 1 billion – at most IDR 5 billion 3. Medium Enterprises: more than IDR 5 billion – at most, IDR 10 billion, excluding land and buildings for business premises.
Annual Sales Results	<ol style="list-style-type: none"> 1. Micro Business: at most IDR 300 million 2. Small Business: more than IDR 300 million – at most IDR 2.5 billion 3. Medium Enterprises: more than IDR 2.5 billion – at most IDR 50 billion 	<ol style="list-style-type: none"> 1. Micro Business: at most IDR 2 billion 2. Small Business: more than Rp2 billion – at most Rp15 billion 3. Medium Enterprises: more than Rp15 billion – at most Rp50 billion

Entrepreneurship is a key concept in strategic management. At this time, it has attracted a lot of attention from scholars. The noble goal of economic globalisation is to create the welfare of humanity in the world by mutually fulfilling the needs of nations through financial transactions. Limited resources in a region are expected to get supplies from areas that have surplus products, and vice versa. But behind it all, it is realised that business is always oriented towards profit-seeking, which is sometimes done with unfair competition. Therefore, it should be realised from the beginning that economic globalisation can be both an opportunity and a threat. Thus, MSEs are global actors that need to be taken into account, as well as all their advantages and disadvantages. Thus, knowledge has been an important consideration for organisational success for a very long time; it requires the achievement of sustainable competitive advantage in a dynamic economy, with knowledge being an important organisational resource.

Halal Certification Procedure in Pasuruan Regency

The implementation of halal certification for small micro-enterprises in Pasuruan Regency is inseparable from the support provided by several parties, namely the government, academics, communities and media, to accelerate the halal certification of MSEs in Pasuruan Regency. The government as a policy maker has collaborated with the Ministry of Cooperatives and SMEs, the Ministry of Trade and Industry, the Indonesian

Ulema Council (MUI), the Community and Small Micro Business Association, Higher Education Institutions, and other stakeholders to accelerate halal certification of micro, small enterprises in Pasuruan Regency. This is because the halal accreditation of MSEs in Pasuruan Regency has received support and response from several stakeholders (stakeholders) for the implementation and acceleration of halal certification. These stakeholders carry out various integrated activities to form a strong synergy to support MSE halal certification with multiple activity programs. Synergy is an interaction of two or more parties who interact with each other and establish dynamic relationships in order to achieve common goals. Synergy, according to Stoner, is the relationship or communication of the parties in realising a common task, which will give rise to various patterns when faced with elements of trust and cooperation owned by each party.

The government has implemented various activity programs to implement the Halal Product Assurance Law to realise halal certification of micro-small enterprises in the Pasuruan Regency. These activities range from socialisation activities and mentoring to micro-small businesses to providing free halal certification facilities to micro-small businesses in Pasuruan Regency, as explained in the following table:

Table 2
Halal Certification Activity Program for MSEs

No	Programs that have been running	Impact
1	Guyat Vibrations Mandateri Halal 2023	Increase understanding of halal certification from the perspective of small micro-entrepreneurs in Pasuruan Regency and have an impact on access and the number of registrants for halal certification of micro and small business products in Pasuruan Regency.
2	Socialisation of Product Halal Certification Implementation in Madrasah Environmental Canteen	
3	Facilitation of Halal Certification by Disperindag Pasuruan Regency	
4	Facilitation of Halal Certification from the BPJPH Task Force (Satgas) Pasuruan Regency	
5	Assistance and Facilitation of UMK Halal Certification by the Office of Cooperatives and Micro Small Enterprises	
6	Program <i>Youth Entrepreneurship and Employment Support System (YESS)</i> .	

The support that the government has provided has had a lot of positive impacts felt by micro-small business actors, such as assisting in managing business legality in the form of NIB, PIRT and halal certification. Another impact felt by small micro-entrepreneurs in halal certification programs that the government has given is that business processes can be fulfilled more smoothly, can increase public trust, increase business networks, expand market share and unique selling points on the products produced so that halal certification of micro, small business products in Pasuruan Regency can run well and smoothly. One of the halal certification activities

in Pasuruan Regency is through socialisation, mentoring and facilitation of free halal certification through the SEHATI program self-declare path and preceded by the management of NIB and PIRT before submitting halal certificate registration (Ali, Xiaoling, Sherwani, & Ali, 2017).

Typology of Micro Small Entrepreneurs who are Pro with Halal Certification

Food and beverage manufacturers in this study include small micro-entrepreneurs who directly produce food and beverages. Such entrepreneurs can make ready-to-eat meals, snacks, snacks, packaged drinks, or other food products. These food and beverage manufacturers can take advantage of halal certification to attract Muslim consumers and expand their market share.

Small micro-culinary entrepreneurs who own restaurants, food stalls, cafes, or food outlets can also support halal certification. In the culinary business, halal certification is important because Muslim consumers want food that is in accordance with halal principles. Halal certification helps culinary entrepreneurs build consumer trust and attract Muslim customers looking for places to eat that provide halal food.

The neutral implication of halal certification from micro-small entrepreneurs is also due to the fact that most micro-small entrepreneurs are more preoccupied with prioritising the use of their resources for core business activities, such as product development, marketing, or distribution expansion, rather than taking care of halal certification. Small micro-entrepreneurs are more used to the production process and the development of the business that has been undertaken, so they do not have a good understanding of the advantages and importance of halal certification. The small micro-entrepreneur carries out halal certification because it is solely to implement government regulations that are required of him. Small micro-entrepreneurs who have a neutral attitude are also found in small micro-entrepreneurs who are in business environments that do not require halal certification, namely several tourist area markets in Pasuruan Regency that have very diverse visitors both in terms of religion, race and ethnicity. Thus, the implication of halal certification in the neutral view of small micro-entrepreneurs is that if halal requirements are not an important factor in local market preferences or demand, entrepreneurs do not feel the need to seek halal certification. Still, at this time, the regulation of halal certification obligations has become an obligation that must be complied with by small micro-entrepreneurs, and the implications of halal certification in the view of small micro-entrepreneurs who are neutral to certification halal is only a matter of carrying out the regulations of the Halal Product Guarantee Law.

4. Conclusion

The views of small micro-entrepreneurs in Pasuruan Regency on halal certification are divided into three categories: those who agree, those who disagree, and those who are neutral towards the regulation. Small micro-entrepreneurs who agree with halal certification consider it a form of compliance with religion and state regulations, as well as a strategy to improve business continuity and consumer trust. Halal certification can also expand marketing and provide a competitive advantage in the halal market.

On the other hand, small micro-entrepreneurs who disagree with halal certification cite several reasons, including cost, lack of demand or significant impact, administrative constraints, and business focus on plural market segments. Meanwhile, small micro-entrepreneurs who are neutral towards halal certification usually have a diverse market share and emphasise other factors such as product quality, sustainability, or competitive prices. The findings imply that halal certification can provide major benefits for small micro-entrepreneurs, including increasing consumer confidence, expanding marketing, opening partnership opportunities, and providing assurance for halal products. Support from the government and relevant institutions is also important in helping micro-entrepreneurs meet halal certification requirements and processes more efficiently.

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