



# Enhancing Awareness of Halal Certification for MSMEs (Micro, Small, and Medium Enterprises)

## M. Rofiq Junaidi<sup>1</sup>, Helti Nur Aisyiah<sup>2</sup>, Fahri Ali Ahzar<sup>3</sup>

<sup>1</sup>Sharia Business Management, Faculty of Islamic Economics and Business, Universitas Islam Negeri Raden Mas Said Surakarta

> <sup>2,3</sup>Department of Sharia Accounting, Faculty of Islamic Economic and Business, Universitas Islam Negeri Raden Mas Said Surakarta

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## **ABSTRACT**

The purpose of this community service initiative was to motivate micro, small, and medium enterprises (MSMEs) in Matesih, Karanganyar, to recognize the significance of halal certification for their products. The initiative was conducted in three stages: planning, implementation, and evaluation. In the planning stage, a Focus Group Discussion (FGD) was held to identify existing issues and needs. The implementation stage involved providing counseling and mentoring to MSME owners on the halal certification process. During the evaluation stage, it was discovered that none of the participants had previously obtained halal certification. This led to further support being offered to three MSME practitioners who expressed interest in learning more about and obtaining halal certification. The outcomes of this community service highlighted a significant gap in knowledge and awareness about halal certification among local MSMEs. The initiative effectively underscored the need for continued education and support to help these businesses comply with halal standards and improve their market readiness.

## **Corresponding Author:**

Helti Nur Aisyiah,

Department of Sharia Accounting

Faculty of Islamic Economic and Business

Universitas Islam Negeri Raden Mas Said Surakarta

Email: helti.nuraisyiah@staff.uinsaid.ac.id

## 1. INTRODUCTION

Halal certification is a crucial aspect for MSMEs as it not only assures consumers about the permissibility and cleanliness of the products according to Islamic law but also enhances the overall quality assurance of the products (Rahayu et al., 2023). With an increasing global demand for halal products, having a halal certification can open doors to international markets and cater to the growing

Muslim population worldwide (Sugibayashi et al., 2019). It serves as a mark of quality and trust, which can differentiate certified products from those that are not (Windasari et al., 2024).

Moreover, halal certification helps MSMEs comply with legal regulations and industry standards, reducing the risk of legal issues and penalties (Permadi, 2022). It also contributes to the sustainability of the business by fostering transparency and integrity in the production process. This certification can also be a significant marketing tool, as it aligns with the ethical and moral values of many consumers, thereby increasing brand loyalty and customer retention (Mustagim & Fazriani, 2022).

This PkM activity is specifically targeted at MSME entrepreneurs in the Matesih area of Karanganyar. Despite the significant number of MSMEs in this region, none have yet registered their businesses with a halal certification body. The absence of halal certification could potentially limit their market opportunities and consumer base, particularly among Muslim consumers who prioritize halal products (Othman et al., 2020).

By raising awareness and providing information about the benefits and processes of obtaining halal certification, this project aspires to guide and support MSMEs in Matesih, Karanganyar, in becoming more competitive and adhering to global halal standards. The PkM team believes that this initiative will not only benefit the local economy but also contribute to the broader objective of promoting halal-certified products in Indonesia, thereby fostering a more inclusive and diverse market.

Despite the benefits of halal certification, socialization and education about its importance have been insufficient in Karanganyar, especially in the Matesih area. Many MSME owners are still unaware of what halal certification entails and its relevance to their business (Awaka et al., 2023). This lack of information has led to a general apathy towards the process, with many assuming that halal certification is either unnecessary or too complicated to pursue. Consequently, there has been little to no effort from local MSMEs to seek out this certification, which could otherwise enhance their marketability and consumer confidence.

Furthermore, the importance of halal certification is not just a matter of consumer preference but will soon become a legal requirement. Starting from October 2024, all food products, cosmetics, and other consumer goods produced or sold in Indonesia must be halal certified, in accordance with Indonesian law (Mohammad, 2021). This regulation aims to protect consumers, particularly Muslim consumers, ensuring that the products they purchase comply with Islamic dietary laws (Maulana et al., 2022). However, the awareness level about this upcoming regulation among MSME operators in Matesih remains alarmingly low. Many are not aware of the legal ramifications of non-compliance, which could include fines, product recalls, or even business closures.

The PkM project seeks to address these issues by providing targeted socialization and education programs that highlight the critical aspects of halal certification. These programs will cover the basic concepts of halal and haram, the benefits of obtaining certification, the legal framework surrounding halal certification in Indonesia, and the practical steps required to acquire it. By simplifying the information and making it accessible, the project aims to demystify the process and encourage MSME owners to take proactive steps toward compliance.

Moreover, the project will include workshops and seminars led by experts in halal certification, food safety, and business development. These sessions will offer practical guidance on how to prepare for the certification process, from sourcing raw materials to ensuring that production processes meet halal standards. By providing this hands-on support, the project hopes to eliminate the perceived complexities and financial barriers associated with obtaining halal certification. It will also offer a platform for MSME owners to share their experiences and learn from each other, fostering a community of practice that values halal principles.

In addition to direct engagement with MSME owners, the project will collaborate with local authorities, religious leaders, and community organizations to further disseminate information and build a supportive ecosystem for halal certification. These stakeholders play a crucial role in shaping public opinion and can act as ambassadors for the initiative. Their involvement will help ensure that the message reaches a wider audience and that the community as a whole understands the importance of halal certification, not just for business compliance but as a reflection of ethical and religious values.

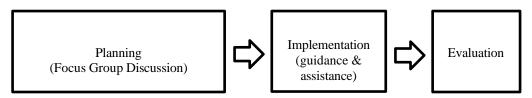
Ultimately, the PkM project "Enhancing Awareness of Halal Certification for MSMEs" aims to create a ripple effect that extends beyond the Matesih area. By empowering MSME owners with knowledge and resources, the project hopes to inspire a broader movement toward halal certification throughout Karanganyar and beyond. This initiative is not only about compliance with upcoming regulations but also about fostering a culture of integrity and quality in the production and sale of goods. By taking these steps, MSMEs can better serve their customers, expand their market reach, and contribute to a more robust and ethical business environment in Indonesia.

## 2. METHOD

This community service is conducted in the form of education aimed at enhancing the local knowledge base and skills. Community education, as a type of non-formal education, is implemented by universities to foster the development, dissemination, and application of knowledge, technology, and arts (Febriyanti et al., 2022). This approach enables the transfer of expertise in a flexible, accessible format that can be tailored to the specific needs of the community. By focusing on practical knowledge and real-world applications, such educational programs aim to empower individuals and improve local capacities.

The educational activities are carried out through an extension program held at the Village Hall of Matesih Karanganyar. Local MSME (Micro, Small, and Medium Enterprise) actors participate in these sessions, benefiting from targeted training and support. The program is designed to address the unique challenges faced by these local businesses and to provide them with the tools and information needed to enhance their operations. By engaging directly with MSME practitioners, the program seeks to create meaningful impacts and foster sustainable development within the community.

The community service is organized through several stages: planning, implementation, and evaluation. The planning stage is conducted separately from the implementation and evaluation stages. The process of community service can be seen in Figure 1 below.



Based on Figure 1 above, the community service method is organized into three main stages: planning, implementation, and evaluation. The planning stage initiates with a discussion session

designed to identify and understand the existing problems faced by the community. This collaborative dialogue helps pinpoint specific issues and sets the foundation for targeted interventions.

During the implementation stage, participants receive hands-on guidance and support on how to secure halal certification for their products. This practical assistance is crucial in helping them navigate the certification process effectively. Finally, the evaluation stage involves soliciting feedback from participants to determine their interest in registering their products for halal certification. This structured approach not only addresses the community's specific needs but also ensures that the knowledge gained is applied practically, leading to tangible improvements.

#### RESULTS AND DISCUSSION

The community service is carried out in three stages: planning, implementation, and evaluation. The planning stage involves a Focus Group Discussion (FGD), the implementation stage includes counseling and mentoring, and the evaluation stage assesses the outcomes. These stages are necessary to ensure that the community service activities meet the needs of MSME practitioners in Matesih Karanganyar.

The first stage is the FGD, which took place on Saturday, March 11, 2023, with 50 MSME practitioners from Matesih Karanganyar participating. During this event, the community service team, consisting of three members from UIN Raden Mas Said, explored the phenomenon of halal certification in the Matesih Karanganyar area. The findings revealed that none of the participants had halal certification. Based on these findings, the community service team provided insights into the importance of halal certification. The situation during this briefing is illustrated in Figure 1 below.



Figure 1. Providing Insights

In the provision of insights, participants were motivated to promptly pursue halal certification. During the motivation session, the team leader emphasized several key points about the importance of halal certification: it enhances potential buyers' confidence in making purchases and serves as a confirmation to buyers that the products being sold are halal, especially for Muslim buyers. The team leader also elaborated on the specific benefits of halal certification, such as increased marketability and access to a broader consumer base, thereby highlighting the practical and economic advantages of obtaining this certification.

Following the provision of insights, the community service team offered detailed assistance to MSME practitioners interested in securing halal certification. This included a comprehensive explanation of the certification process, guidance on the necessary documentation, and support in meeting the halal standards required. As a result, three individuals expressed their interest in receiving assistance. The support sessions were meticulously scheduled to address their needs: the first session on March 25, 2023, the second on April 1, 2023, and the third on April 8, 2023, ensuring a thorough and supportive approach to facilitating their certification journey.

The first guidance and assistance was conducted for the owner of Barokah Warmindo. During this session, the team meticulously reviewed the existing practices and provided tailored recommendations to ensure compliance with halal standards. The focus was on evaluating product packaging and processing methods to align with certification requirements. The atmosphere of this support session can be seen in Figure 2 below.



Figure 2. First Guidence and Assistance

During the first guidance and assistance session, the community service team conducted a thorough observation of the products sold by Barokah Warmindo. The team assessed the various packaged food and beverages available and advised the owner on the necessity of ensuring that all such products have halal certification. The halal certification, identifiable by a halal logo on the packaging, is crucial because the menu items offered to customers at Warmindo are prepared using these packaged ingredients. Ensuring that these products meet halal standards is essential for maintaining the establishment's compliance with halal requirements.

To further support the owner in achieving this certification, the team provided a comprehensive plan detailing the necessary steps. This plan included practical suggestions for improving product labeling to clearly indicate halal status and enhancing transparency with suppliers to ensure that all ingredients meet halal standards. By offering these targeted recommendations, the team aimed to facilitate a smoother certification process and help Barokah Warmindo align with halal requirements effectively.

Next, the community service team carried out the second support session, which involved assisting the MSME practitioner who owns Soto Rempah. The atmosphere of this support session can be seen in Figure 3 below.

Figure 3. Second Guidence and Assistance



In the second guidance and assistance session, the community service team conducted a detailed observation of the menu items served by Warung Soto Rempah. The team evaluated the various ingredients used in the dishes to ensure that they met halal standards. Specific recommendations were provided to the owner, emphasizing the importance of using halal-certified ingredients. The halal certification can be verified by checking for a halal logo on the packaging of these ingredients, which is crucial for meeting halal requirements.

Additionally, the team advised Warung Soto Rempah to prominently display the halal logo on an external banner. This visibility was recommended as a strategic measure to enhance the restaurant's appeal and attract potential customers. By showcasing the halal certification externally, the restaurant can boost customer confidence and demonstrate its commitment to adhering to halal standards. This approach is expected to positively influence customer perceptions and increase patronage.

Furthermore, the team encouraged the owner to initiate the process of registering their products for halal certification. Obtaining formal certification would not only confirm the halal status of their offerings but also ensure compliance with industry standards and meet customer expectations. The team provided comprehensive guidance on the certification process, including the required documentation and compliance criteria, to facilitate a smooth and successful registration.

The support session aimed to improve Warung Soto Rempah's marketability and address the growing consumer demand for halal products. By taking these steps, the restaurant can enhance its business prospects and align with halal certification requirements. The collaborative approach ensured that the restaurant received the necessary support to navigate the certification process and effectively market its halal-compliant offerings.

Following the second session, the community service team moved on to the third support session, which focused on assisting an MSME practitioner involved in selling fish. During this session, the team conducted a comprehensive review of the fish-selling practices and assessed the various aspects related to halal compliance. The team provided targeted guidance to ensure that the fish were handled and processed in accordance with halal standards.

The atmosphere of this support session is illustrated in Figure 4 below. This visual representation captures the interaction between the team and the MSME practitioner, highlighting the detailed discussions and hands-on support provided. The session aimed to address specific challenges faced by the fish seller and offer practical solutions to meet halal certification requirements, ensuring that the products align with industry standards and consumer expectations.



Figure 4. Third Guidence and Assistance

In the third support session, the community service team carried out an observation and held a question-and-answer session with the owner of a fish pond. During this session, they reviewed the various methods of selling fish, including live fish, fish that are properly and legally slaughtered, and processed fish products. The team's findings indicated that all these methods were employed, each requiring different considerations for halal compliance.

Given these findings, the team advised the owner to ensure that the materials used to sustain the fish in the pond, such as feed and supplements, are halal-certified. This step is crucial in maintaining the halal status of the fish throughout their lifecycle. The team emphasized that using certified halal materials is a key aspect of meeting halal standards and avoiding any contamination of the product.

Additionally, the team recommended that the fish be slaughtered in a humane manner, adhering to ethical practices that do not cause undue suffering. This recommendation is essential to align with both halal requirements and general animal welfare standards. Humane slaughter practices are an important component of halal certification, ensuring that the fish are treated ethically from life to consumption.

Furthermore, if the fish are processed into products, it would be advantageous to register these products with a halal certification body. This would provide assurance to customers who are conscious about consuming halal food and expand the market reach of the products. The owner expressed interest in pursuing halal certification and plans to register their products with a halal certification agency to meet these requirements.

The final stage of the community service initiative is evaluation, which is conducted internally by the community service team through structured discussions. This internal evaluation helps assess the effectiveness of the service and determine whether it has met its objectives. The results revealed that the community service was well-targeted and necessary, as none of the participants had previously obtained halal certification. This finding underscores the relevance and impact of the intervention in addressing a critical gap among local MSME practitioners.

Furthermore, the evaluation was reinforced by the positive response from the participants. After receiving insights about halal certification, three MSME practitioners expressed a clear interest in receiving further assistance to obtain certification for their products. This enthusiastic response indicates that the guidance provided was both valuable and actionable. Consequently, it is recommended that the initiative continue until the halal certificates are successfully issued and similar support programs are extended to other regions to maximize its impact.

## **CONCLUSION**

The community service initiative has proven to be highly effective in raising awareness among micro, small, and medium enterprises (MSMEs) in Matesih, Karanganyar, regarding halal certification. Prior to the initiative, many MSME owners were not fully informed about the requirements and benefits of halal certification. Through a structured series of activities—starting with planning via technical focus group discussions, followed by hands-on guidance and assistance, and concluding with thorough evaluation—the initiative successfully highlighted the importance of halal certification. Notably, the evaluation revealed that none of the participants had previously obtained halal certification.

As a direct result of these efforts, MSME owners have begun to recognize the value of halal certification. After receiving detailed information about the certification process, three MSME practitioners specifically expressed their desire to receive further assistance in obtaining halal certification for their products. This enthusiastic response indicates a significant shift towards proactive engagement with halal standards. By pursuing halal certification, these enterprises not only enhance their market appeal but also ensure that their products adhere to necessary ethical and religious requirements.

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