



Strategy to increase the number of halal self-declared certification in Indonesia

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ABSTRACT

Micro, Small, and Medium Enterprises (MSMEs) are obtaining halal certification through self-declared halal certification. The utilization has not reached the maximum potential even though this form of certification is available in Indonesia. Out of 349,834 free halal self-declared certification offered by the government, only 119,662 have been used. Despite the benefits, there are several issues related to the implementation. Only a small percentage of MSMEs have obtained halal certification in developing a strategy to address the issue. Therefore, this research aimed to identify strengths, weaknesses, opportunities, and threats (SWOT) associated with self-declared halal certification as well as propose strategy to increase the use from a stakeholder perspective. SWOT analysis was used to evaluate the potential development strategies of self-declared stakeholders, such as Indonesian Ulama Council (MUI), Halal Product Process (PPH) Assistants, and Halal Product Guarantee Organization (BPJPH). Meanwhile, Analytic Network Process (ANP) method prioritized the four aspects and determined the best strategy for developing halal self-declaration policies. An assertive strategy providing fair information dissemination and optimizing support for PPH assistants was needed to address the issue of low self-declared certification. Based on this research, the government provided a reasonable honorarium for PPH assistants. BPJPH used AI and blockchain technologies to expedite the document collection process for MSMEs and PPH assistants. Additionally, PPH adopted more proactive and creative methods for assistance.

ARTICLE INFO

Keywords:
Analytic Network Process
Halal Industry
Halal Certification
Strategy

History:
Received 10-10-2023
Revised 01-11-2023
Accepted 02-11-2023

1 Introduction

Based on Halal Product Guarantee Organization, halal certification is classified into independent, Sehat, self-declared, and facility/agency programs (Badan Penyelenggara Jaminan Produk Halal/BPJPH) report in 2021. Independent halal certification program mandates businesses to cover the costs of application, accommodation, and transportation for product inspections carried out by Halal Inspection Institution (LPH) auditors. This is consistent with BPJPH Decision No. 141 of 2021 concerning the determination of agency service rates. Sehat program is a free scheme including all parties financing halal certification. Meanwhile, self-declared halal certification is based on a statement from business actors, accompanied by Halal Product Process (PPH) assistants. Facility/agency program is a collaboration including private parties or specific agencies, as outlined in BPJPH 2021 report.

The policy of self-declared halal certification facilitates Micro, Small, and Medium Enterprises (MSMEs) in business activities. This certification is unique compared to others since the role of LPH is replaced by PPH assistants to reduce costs. Self-declared halal certification allows MSMEs to obtain certification for products without LPH. This type is unique and specifically designed for MSMEs with non-risky ingredients and a guaranteed halal status. The policy facilitates the provision of a more affordable and accessible halal certification option.

MSMEs applying for regular halal certification are expected to pay a fee of 650 thousand rupiah to cover registration and examination for products at LPH. However, the application process does not require any fees since eligible MSMEs can apply for Sehat program. This program offers free halal certification for individuals with financing from APBN, APBD, partnership funds, grants, and other valid or non-binding sources amounting to 300 thousand rupiah. The nominal fee is determined by the Regulation of the Minister of Finance of Indonesia number 57/pmk.05/2021 concerning Service Tariffs for the Public Service Agency for Halal Product Guarantee Organizing Agency BPJPH at the Ministry of Religion (Kemenag 2021). Despite the advantages, there are several challenges in the implementation,

including low numbers and completion times. Therefore, a suitable strategy is needed to address the issue.

The rationale behind conducting this research is the significant Muslim population as of December 31, 2021, amounting to 237.57 million individuals and 86% of the nation's total population (The Royal Islamic Strategic Studies Centre 2023). Therefore, ensuring halal in Indonesia is very important as stipulated in the 1945 Constitution's Article 29, paragraph 2. According to Musataklima (2021), Muslims consider the guarantee of halal status for food as a spiritual right.

Food is an essential requirement for human beings in conducting daily activities. According to the data provided by Bureau of Statistical Research (Badan Penelitian Statistik/BPS) in 2021, consumption takes up the largest portion of the Indonesian society's expenditure, accounting for an average of 49.25%. The remaining expenditures are allocated to non-food items such as housing, clothing, as well as goods and services. BPS shows that consumption plays a significant role in the daily lives of Indonesian society. The global halal food sector is estimated to grow by 3.5% and projected to reach \$1.38 trillion, as per the State of Global Islamic Economy Report (SGIE) 2020/2021. Moreover, Bank Indonesia has reported an export opportunity of \$2 billion from the food industry sector in OIC and non-OIC markets in the Islamic Economy and Financial Report for 2021 (BI 2021).

An important aspect of maximizing the potential of halal industry is ensuring that businesses have certification. This is because a large number of MSMEs totaling 65 million units can significantly impact the industry (BPS 2021). Therefore, the government has made halal certification mandatory for businesses under Law No. 33 of 2014, where "Products entering and circulating must certify halal." Despite the mandate, only a small percentage have obtained halal certification, with the current number at 305,754 or 0.4% of the total (BPJPH 2022). The number of self-declared halal certification is relatively low compared to others. These differences in the number of issuances based on type can be observed in Figure 1, where self-declared has the lowest number. Additionally, there are differences in the number of applicants due to uneven distribution (BPJPH 2021).

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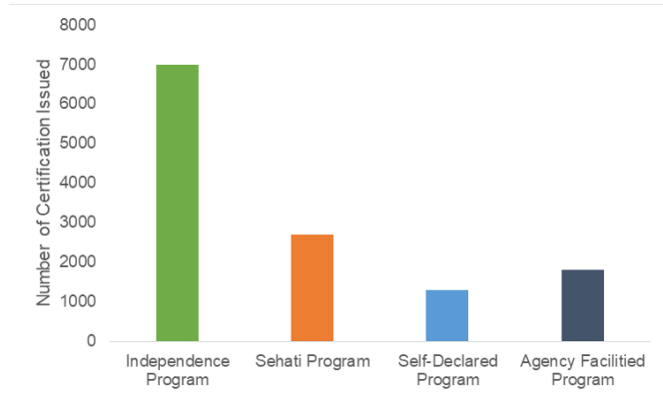


Figure 1: Halal certification issued in 2021

The process of obtaining self-declared halal certification, assessed by BPJPH, typically takes 21 days to fulfil requirements. However, the actual duration is often prolonged, as evidenced by the 2021 Public Satisfaction Survey Report, which showed an average completion time of 52 days. This prolongation emphasizes the need for seamless coordination and communication among BPJPH, PPH (Halal Assurance Partner), and MUI (Indonesian Ulema Council) since collaboration is essential for issuing halal certificates promptly.

According to Law No. 33 of 2014, three key entities work together in halal certification process, namely BPJPH, LPH, and MUI. BPJPH is in charge of developing regulations, reviewing and verifying halal application submissions, as well as granting certification. LPH is responsible for testing and assessing halal status of large-scale products and medium-sized businesses. In addition, the role has been replaced by PPH assistants to conduct self-declaration halal certification. MUI plays a role in determining halal status of products by issuing fatwas through trials. The three institutions are included in the certification process for self-declared halal products. Therefore, it is essential to maximize the synergies to increase the number. Pratama (2020) emphasized the importance of stakeholders' policy contributions in optimizing halal certification for MSMEs and minimizing potential negative consequences. Similarly, Kasanah (2022) reported a lack of information and outreach as the main problem with halal certification in South Bangka. In this context, literacy issues remain the primary challenge for self-declared halal certification from public perspective.

This research develops and implements strategies to increase the number of self-declared halal certification. In addition, strengths, weaknesses, opportunities, and threats (SWOT) of this program are analyzed using Analytic Network Process (ANP) method. The stakeholders analyzed are PPH, BPJPH, and MUI as internal aspects, as well as MSMEs and the general public as external aspects. This research is divided into five parts, where the first provides an introduction to the background, topic, gap and objectives. The second part explains SWOT-ANP analysis method used. The third part presents the results and discussion of SWOT analysis as well as related strategies for self-declared halal certification. The fourth section provides a conclusion, while the last part offers policy recommendations.

2 Methodology

2.1 Sources and Methods of Data Collection

This research was carried out between January and March of 2023, comprising interviews and questionnaire surveys. There were 4 and 7 participants in the in-depth interviews and questionnaire survey, respectively. The locations for data collection were flexible in person or through online Zoom meetings, depending on the availability of respondents.

2.2 General Description of Analytical Network Process

This research used a combination of qualitative and quantitative methods. Specifically, ANP analysis method was used with SWOT, which was processed using Microsoft Excel 2019 and Super Decision software. ANP is a non-parametric and non-Bayesian qualitative method, allowing for decision-making by creating a general framework without making assumptions about the independence of elements at different levels. This extension of AHP method was first developed by Saaty & Vargas (2006). ANP analysis enabled systematic dependence and feedback by combining

tangible and intangible factors. Meanwhile, the analysis consisted of three stages, namely model construction, quantification, synthesis, and analysis.

2.2.1 Model Construction

The construction of ANP model was based on a theoretical and empirical literature review. The constructed model was confirmed by experts, practitioners, academics, and regulators with expertise in the relevant topic of the thesis. This step is necessary to ensure that the constructed model reflects the actual situation.

2.2.2 Model Quantification

The quantification stage used ANP questionnaire to obtain pairwise comparisons between elements in clusters. The quantified elements must have inconsistency values below 10% (Ascarya 2005). This pairwise comparison was conducted to determine the elements more dominant using a numerical scale of 1-9.

2.2.3 Synthesis and Analysis

The geometric mean was used to determine the individual assessments of respondents and consensus based on pairwise comparisons (Saaty & Vargas 2006). The comparative responses were combined to form a consensus. Rater measures the level of agreement among respondents (R1-Rn) on a problem within a cluster, as presented in Table 1.

Table 1: Research respondents: In-depth interview and questionnaire

Respondent in-depth interview		
Regulators	Sub-coordinator of planning and information system section of Badan Penyelenggara Jaminan Produk Halal (BPJPH)	M. Yanuar Arief
Academics	Lecturer at Muhammadiyah Makassar University and regional committee of sharia economy and finance (KDEKS) Makassar	Syafri Haliding
Practitioner	Program coordinator of the Center for halal science studies (Halal Center) IPB University	Agy Wirabudi
Practitioner	Owner of Micro, Small, and Medium Enterprises (MSMEs) Coco Jelly Fresh	Yusup Firmanudin
Questionnaire respondents		
Practitioner	Economic analyst of the coordinating ministry for economic affairs	Riski A. M. Dewi
Practitioner	Owner of Micro, Small, and Medium Enterprises (MSMEs) Coco Jelly Fresh	Yusuf Firmanudin
Academics	Lecturer in Islamic economics IPB University	Ranti Wilasih
Academics	Lecturer at Muhammadiyah Makassar University and regional committee of sharia economy and finance (KDEKS) Makassar	Syafri Haliding
Expertise	KNEKS sharia business and entrepreneur director	Putu Rahwidhiyasa
Practitioner	Program coordinator of the Center for Halal Science Studies (Halal Center) IPB University	Agy Wirabudi
Regulators	Badan Penyelenggara Jaminan Produk Halal (BPJPH) expert statistics ministry of religion	Mena Salawati

3 Result

This research proposes alternative methods for enhancing self-declared halal certification. A total of 16 internal and external factors were analyzed, resulting in 5 potential solutions. The internal factors include stakeholders in self-declared halal certification program, such as MUI, BPJPH, and PPH assistants. The internal evaluation assesses the strengths and weaknesses of the factors. The external factors are directed at the targets of self-declared halal certification program, including MSMEs and the Indonesian society. The external analysis examines the opportunities and threats related to these targets. The criteria were derived from literature research and in-depth interviews with regulators, academics, practitioners, and experts knowledgeable about the development of self-declared halal certification. The internal and external criteria were used to develop alternative strategies through SWOT network structure. The previously identified aspects were transformed into SWOT network, and the alternative strategies were used to formulate ANP model, as shown in Figure 2.

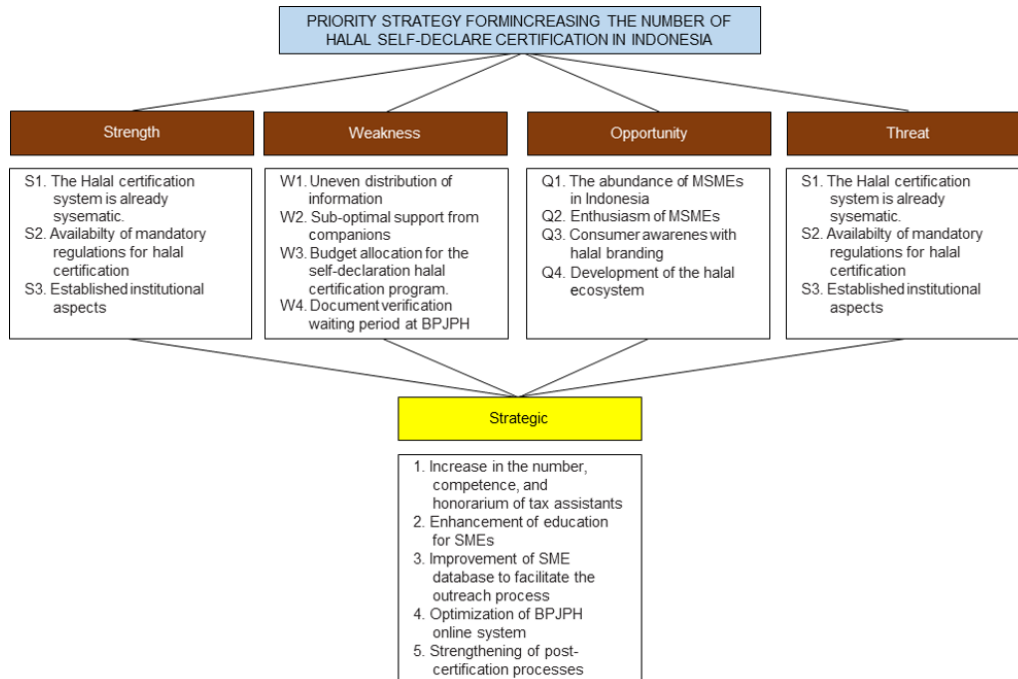


Figure 2: Analytic network proces framework in the research, MSMEs (Micro, Small, and Medium Enterprises), SMEs (Small and Medium Enterprises) BPJPH (Badan Penyelenggara Jaminan Produk Halal)

3.1 Elements of SWOT aspect

The primary focus of SWOT analysis is on weakness, which holds the highest priority among the four aspects. This aspect has a geometric mean value of 0.297880, showing an influence on improving self-declared halal certification. The degree of agreement among respondents can be controlled by Kendall's Coefficient of Concordance (W), which has a value of 0.27. Even though the value is small, the usefulness of the model is not negated. The results show that respondents have diverse perspectives on the priority of SWOT aspects, leading to differing answers. The Kendall coefficient is not used to assess the model's quality but to measure the level of agreement among experts (Ali & Kasim 2021). The priority order of SWOT aspects is depicted in Figure 3.

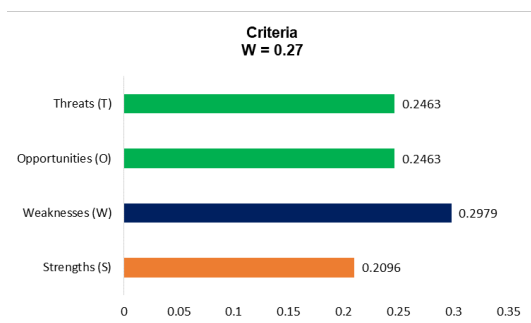


Figure 3: Priority of SWOT aspects (own estimation)

3.2 Element of Strength

Strength aspect consists of four elements, namely systematic halal certification system, availability of regulations, established institutional aspects, and centralized online registration. The highest priority level from data processing results is the availability of mandatory regulations with a geometric mean of 0.271. The agreement among respondents can be seen in Figure 4, which has a value of 0.02. The results show that respondents have different perspectives on strength aspects, leading to variation in answers.

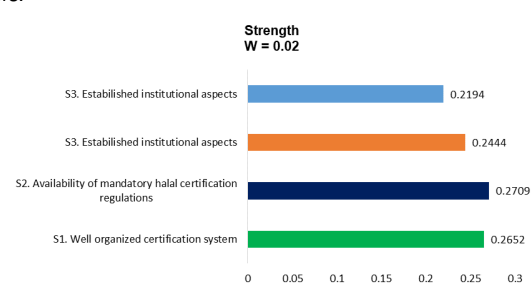


Figure 4: Priority of strength aspects (own estimation)

3.3 Elements of Weakness

Weakness aspect comprises four components, namely inadequate distribution of information, subpar support for PPH, limited budget for self-declared program, and extended waiting time for files at BPJPH. Based on the data processing result (Figure 5), uneven information dissemination received the highest priority level, with a geometric mean of 0.2897. The varying perspectives on the priority of SWOT aspects are reported by W with a value of 0.33.

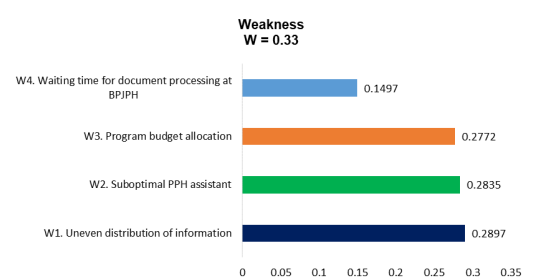


Figure 5: Priority of weakness (own estimation), BPJPH (Badan Penyelenggara Jaminan Produk Halal)

3.4 Elements of Opportunity

Opportunity aspect is constituted by the significant number of MSMEs, favorable public opinion, increased consumer awareness of halal branding, and the system growth. According to the data processing results (Figure 6), the most important factor in this aspect is the large number of MSMEs, with a geometric mean of 0.2849. Respondents' varying perspectives on the priority of SWOT can be seen in W value of 0.04.

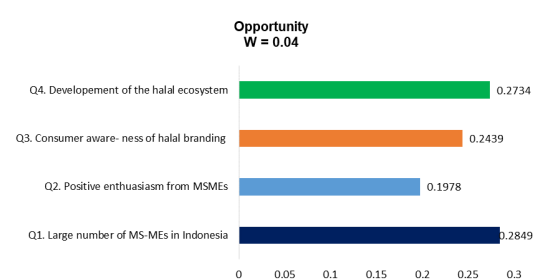


Figure 6: Priority of opportunity (own estimation), MSMEs (Micro, Small, and Medium Enterprises)

3.5 Elements of Threats

The components of threat aspect include moral hazard faced by MSMEs, constantly changing halal certification regulations, disparate public comprehension and literacy, as well as inadequate technological comprehension. Based on data analysis, the highest priority level was the significant number of MSMEs, with a geometric mean of 0.3854. The degree

of agreement can be observed through W with a value of 0.37, indicating 37%. Even though the rater agreement is relatively low, this does not necessarily imply that the model is incorrect or ineffective. Therefore, there are disparities in SWOT aspect priorities among respondents, as reported in Figure 7.

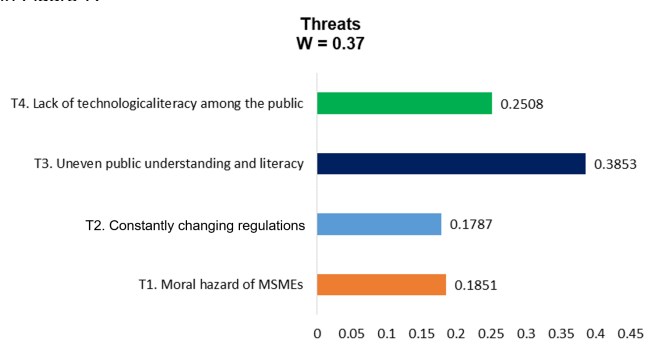


Figure 7: Priority of threats (own estimation), MSMEs (Micro, Small, and Medium Enterprises)

3.6 Elements of Strategies

The elements of threat aspect include moral hazards associated with MSMEs, continually evolving halal certification regulations, inadequate public understanding and literacy, and lack of technological comprehension. According to the data processing results, the highest priority level was identified as the significant number of MSMEs, with a geometric mean of 0.3854. The agreement among respondents (rater agreement) can be measured through W, which had a value of 0.37, indicating 37%. Even though the rater agreement was relatively low, this does not necessarily mean the model is incorrect or ineffective. Therefore, respondents had varying perspectives on the priorities of SWOT aspect, which led to variations in answers as shown in Figure 8.

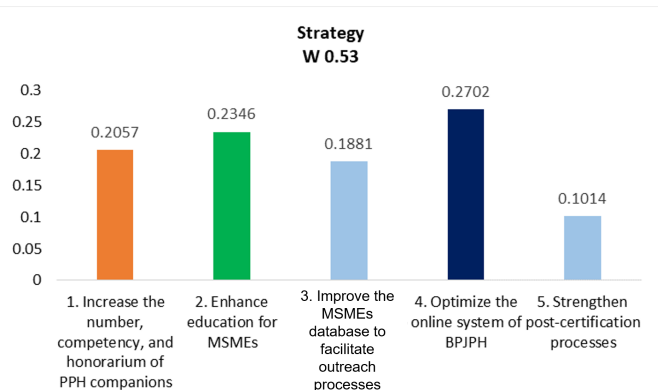


Figure 8: Priority of strategy (own estimation), PPH (Halal Assurance Partner), MSMEs (Micro, Small, and Medium Enterprises), BPJPH (Badan Penyelenggara Jaminan Produk Halal)

4 Discussion

4.1 Elements of Strength

Figure 3 showed the priority to strengthen self-declared halal certification program which was the availability of mandatory regulations. The obligation is stipulated in Law No. 33 of 2014, which makes the public, specifically business actors, more aware of the importance of obtaining halal certification for products. The second priority for strengthening self-declared halal certification program was well-organized and regulated from MSMEs assistance to certification issuance. Academic sources and MSMEs explained that the procedures were effective and clear because everything was regulated to avoid useless self-declared halal certification programs. However, there were many challenges and obstacles in halal certification process, specifically in meeting the targets for free halal certification. The third priority was a well-established institutional aspect, including BPJPH, Halal Centre, Assessment Institute for Foods, Drugs and Cosmetics (LPPOM) MUI, ational Committee for Sharia Economics and Finance (KNEKS), Regional Committee of Sharia Economy and Finance (KDEKS), public organizations, universities, and other ministries. In addition, support was obtained from institutions such as state-owned and region-owned enterprises, as well as local governments. According to Halal Center's IPB source, the political will for self-declared halal certification was quite good. The government is also continuously improving institutional capacity by strengthening Islamic economic institutions in regions with the President's Regulation regarding KDEKS (BI 2022). The fourth priority was the centralised online registration of self-declared halal certification through the SiHalal platform. According to academic expert sources, the

centralization was a progressive step taken by BPJPH. The centralization shows that MSMEs no longer need to send physical documents to BPJPH. This eliminates additional costs, such as shipping fees, and can be more time-efficient (BPJPH 2019).

4.2 Elements of Weakness

Figure 4 showed the primary concern regarding the weakness aspect which was the uneven distribution of information. This pertains to the procedures, policies, and literacy associated with self-declared halal certification. Some academic sources are unable to access information concerning halal center registration. Even though the information in BPJPH was relatively accessible, the reach was inadequate. Other issues with self-declared halal certification include insufficient socialization, education, and training on the use of the SiHalal platform. In addition, there is an overlap between the regular pathway and self-declared halal certification. This leads many MSMEs to view halal certification as expensive and challenging to obtain (Kasanah *et al.* 2022). Halal Center IPB source also reported that information distribution remains uneven for individuals residing in remote locations or without internet access.

The second priority was inadequate support from PPH. Academic sources show that PPH assistants lack a comprehensive understanding of the raw materials and products owned by business actors. This view is shared by Halal Center IPB, where many of the individuals are not ready to assist due to a lack of understanding. However, academic sources emphasize that PPH assistants are crucial in achieving halal certification target due to direct interaction with MSMEs. The number of PPH assistants must be increased and unevenly distributed across Indonesia. Data from BPJPH shows that out of a target of 35,500, only 20,078 PPH assistants are registered, with 71.8% located in Java. Therefore, self-declared halal certification target has not been achieved in several regions (BPJPH 2022). National Medium Term Development Plan (RPJMN) 2020-2024 identifies limited human resources as an obstacle to implementing halal product assurance (RPJMN 2020).

The third issue with self-declared halal certification program is budget allocation, which has not been optimized and lacks priority. PPH assistants were given an honorarium of IDR 150,000 per MSME, including costs for consumption and transportation. This honorarium was given without considering factors such as the distance between PPH assistants and MSMEs. Halal Centre's IPB and academic sources state that a low honorarium reduces motivation. The total budget realization from halal registration and certification service unit is IDR 98 billion. The budget is approximately IDR 800,000 and the total is divided by 119,662 MSMEs certified as halal in 2022. Only IDR 150,000 was allocated to PPH assistants in achieving the target for self-declared halal certification. Therefore, the budget allocation needs to be re-evaluated with a focus on prioritizing PPH assistants' honorariums.

The fourth most significant concern regarding weakness aspect was the extended waiting period for file verification at BPJPH. However, this timeframe did not adhere to the established standards. Academic sources attributed the issue to the inadequate number of human resources at BPJPH and this is increased by the growing demand for PPH assistants.

4.3 Elements of Opportunity

Figure 5 showed the highest priority serving as an opportunity for self-declared halal certification program which was the high number of MSMEs. This was supported by data showing that 96% and 1.2% were micro and small enterprises, respectively. In Indonesia, the number of MSMEs has reached 64.1 million (Kasanah *et al.* 2022).

The second most important objective for opportunities was to establish an ecosystem for self-declared halal certification. During the process, MSMEs were required to submit business documents used to create halal database. Academic sources emphasize the significance of the data, serving as a foundation for the future growth of halal industry. This information is used to support halal ecosystem through financing or the creation of halal marketplace. The development of halal ecosystem is also a key priority in the efforts to expand the Islamic economy in 2023, as outlined in the guidelines of the Vice President presented during KNEKS plenary meeting. The guidelines include enhancing the quality and quantity of suitable business opportunities for MSMEs. This strengthens programs for Sharia-compliant companies, providing technical expertise for the digitalization of halal MSMEs.

The third priority was to raise consumer awareness about halal branding. Sources from BPJPH show that the growing awareness of consuming halal food has led to increased demand. MSMEs have responded to the need by producing products to meet halal standards. An internal survey conducted by LPPOM MUI in 2010, presented by Lukmanul Hakim, the director of LPPOM MUI, showed that the level of public concern for halal status of products was 92.2%. This percentage significantly increased from 70% in 2009 (Puji 2011).

The fourth priority was to generate public enthusiasm for halal certification. This was evident from the willingness of public to participate and obtain further information about the process. Halal certification was crucial due to increased consumer awareness of the status of products.

Academic sources showed that the public response and acceptance of self-declared halal certification were positive.

4.4 Elements of Threat

Figure 6 showed the primary challenge facing self-declared halal certification program which was a lack of public understanding and literacy. This increased the difficulty of business owners to comprehend the procedures for obtaining certification. Therefore, the program had not reached the target of 10 million business owners by 2022 (BI 2022). According to Bank Indonesia, only 20% of the Indonesian public had adequate knowledge of the Islamic economy (BI 2022). This was due to the low level of education and management skills among human resources (Pratama 2022). Additionally, RPJMN 2020-2024 identified low awareness among business owners about obtaining halal certification as a significant obstacle to implementing product assurance (RPJMN 2020).

The second most significant challenge was the general public limited technological comprehension. This is particularly problematic since self-declared halal certification process is managed online through the SiHalal platform. However, many MSMEs lack the necessary technological proficiency to use the platform effectively, as reported by sources from Halal Center IPB. The deficiency is also shown in the Economic and Sharia Finance research conducted in 2022 (BI 2022). Moreover, a survey by BPJPH in 2022 reported that MSMEs found halal certification process to be overly complicated to navigate due to digital nature. This may be attributed to the misconception that MSMEs do not require extensive digital application usage (Kasanah *et al.* 2022).

The third issue was the moral hazard faced in providing false information about business conditions. Sources from Halal Center IPB showed that business owners might only commit to using registered materials at the beginning of the process. This was because the desire to obtain halal certification was driven by government obligations rather than the willingness of MSMEs owners. According to Pratama (2022), moral hazard did not occur in the scheme due to the absence of halal testing and examination at BPJPH level (Pratama 2022).

The fourth issue that posed a threat to self-declared halal certification program was changes in regulations. According to academic sources, a potential threat from the regulatory side is that halal certification law has become voluntary. Modifications to regulations related to the technical aspects and issuance process could undermine public trust. Halal Center IPB reported that updated regulations led to changes in halal certification process, hindering the performance of PPH partners. These shifting regulations also impacted the SiHalal platform temporarily suspended for improvements in adhering to Government Regulation in Lieu of Law (Perppu) No. 2 of 2022 on Job Creation. Therefore, adjustments to the SiHalal platform are necessary, which can affect the proper implementation of self-declared halal certification process.

4.5 Elements of Strategis

Figure 7 showed the priority among the alternative strategies which is the optimization of BPJPH system. This included increasing the verification process, providing solutions, and responding to complaints. The organization is focusing on accommodating the SiHalal platform to comply with the new regulation, which is the establishment of a fatwa committee. The primary objective is to enhance the optimization, which includes expediting the verification process, offering solutions, and addressing complaints. BPJPH is working on integrating the SiHalal platform with the new regulation of establishing a fatwa committee. This allows the Fatwa Committee to perform functions online through the SiHalal platform. BPJPH is also exploring the potential of artificial intelligence (AI) and blockchain technology. AI is used to recommend ingredient selection based on products to increase halal certification application process and streamlining fatwa sessions. Meanwhile, blockchain technology is developed to enhance the traceability of halal-certified products. According to a representative from BPJPH, the SiHalal platform enables consumers to trace halal status of a product, including the origin of beef, distribution channels, grinding locations, and cooking processes. In the future, halal certification will not only be a label but include transparent and traceable processes from upstream to downstream. Academic sources and Halal Center IPB emphasize the significance of BPJPH as the regulator and central authority for certification. This improves services, governance, and institutional arrangements, as well as addresses issues related to self-declared halal certification.

The second priority in terms of alternative strategies enhances the education provided to MSMEs. This is delivered through widely accessible media, such as online platforms and social media, as well as information on the preparation of products, ingredients, and processes. BPJPH continuously provides online education through videos, social media posts, and webinars for socialization. However, online education can be challenging for individuals with limited digital literacy. PPH companions primarily provide education for MSMEs with low digital literacy, assisting and educating on halal certification process and compliant materials. The establishment of halal and smart centres can be considered to maximize function proposed by Halal Center IPB. These centers aim to provide

training, guidance, and support for MSMEs in terms of halal, thoyib, Sharia finance, and digital applications in the era of Industry 4.0. The improvement of MSMEs education is consistent with the Vice President of Indonesia's directive regarding efforts to develop the Sharia economy. This includes prioritizing a 50% literacy rate in Sharia economics and implementing integrated programs in the Master Plan (MEKSI) 2024-2029 (BI 2022).

The most crucial strategy is to increase the number, competency, and appropriate compensation. PPH companions visit and grant halal certification directly, and offer assistance to MSMEs facing difficulties using the SiHalal platform. Therefore, optimizing the number of companions in Indonesia increases self-declared halal certification. This notion is supported by academic sources, where the optimal number of PPH companions is crucial for achieving the target of self-declared halal certification. Currently, there are 20,078 PPH companions, which is insufficient compared to the number of MSMEs. The distribution is not uniformly spread across all regions, presenting a challenge to self-declared halal certification program (BPJPH 2022).

Enhancing the proficiency of PPH partners can be accomplished through communication. This proficiency enhancement can also be facilitated by establishing Halal Product Process Companion Institutions (LP3H) to educate and support partners. Current efforts include prioritizing training for halal supervisors in Halal Safe and Healthy Culinary Zones (Zona KHAS) as part of the 2023 initiative to develop the Sharia economy through Zona KHAS program (BI 2022). According to academic sources, PPH partners are important for achieving halal certification target. However, the current honorarium of 150,000 IDR per MSME is insufficient, leading to the role being considered as a side job. To rectify the situation, academic sources suggest the increment of minimum honorarium for PPH partners from 300,000 IDR to 500,000 IDR per MSME. BPJPH recommends the adoption of creative methods, such as collective assistance through districts or production centers to supplement income. Even though the approach is helpful, PPH partners are not fully compensated for the services rendered. Therefore, a reevaluation of the honorarium is necessary, with priority given to the existing budget.

The primary objective of enhancing the database is to simplify outreach efforts. BPJPH has gathered crucial information from various sources, including Online Single Submission (OSS), BPUM (Bantuan Produktif Usaha Mikro), Ministry of Cooperatives and MSMEs, to expedite the acquisition of halal certification. The initiative is designed to streamline halal certification process (BI 2022). However, the database contains a substantial amount of erroneous information, such as unreachable phone numbers or inaccurate addresses.

Frequent discrepancies between the recorded number of MSMEs and the actual presence in the field were discovered, which led to the recurring issue of duplicated data. Despite the challenges, BPJPH is working towards improving the quality of database by collaborating with various relevant parties. However, the existing data are not accurate due to the dynamic nature of MSMEs, where businesses may change or even cease operations. To address the issue, PPH partners visited local MSMEs to ensure the accuracy of the data. Strengthening post-certification processes by conducting supervision and post-audit of halal-certified products is the fifth priority among the alternative strategies. These post-audit activities are important as a preventive measure to maintain public trust (Pratama 2022). To prevent fraud and ensure compliance with halal standards, MSMEs are required to sign Halal Product Assurance Letter (Surat Jaminan Produk Halal/SJPH). Post-certification includes periodic reporting of production processes to monitor changes made by MSMEs. The supervision conducted is applicable to all types of halal certification, and specific supervision implemented. This is carried out jointly with the Indonesian Food and Drug Authority (BPOM) and regional supervisors

5 Conclusion

In conclusion, this research was carried out to identify SWOT associated with self-declared halal certification as well as propose strategy to increase the use from a stakeholder perspective. An aggressive plan included equitable distribution of information to tackle the challenge of a lack of self-declared halal certification by providing appropriate compensation for PPH assistants. Additionally, Indonesia capitalized on opportunities, particularly the significant number of MSMEs in the country. The strategy to address the low number of self-declared halal certification comprised (1) enhancing the online system of BPJPH, (2) providing education to MSMEs, (3) Increasing the number, competence, and compensation for PPH assistants, (4) Improving MSMEs database for proactive outreach, and (5) Strengthening post-certification processes.

Acknowledgments

The authors are grateful to PT Indofood Sukses Makmur Tbk for providing research grant through Indofood Riset Nugraha program.

Conflict of Interest

The authors declare no conflict of interest.

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