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Analysis of Halal Certification Process for Micro and Small Enterprises in Putussibau District

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Abstract

This study is motivated by the low rate of halal certification ownership among Micro and Small Enterprises (MSEs) in Putussibau District, despite the government's mandate requiring halal certification for all food and beverage products. Preliminary observations revealed that many business actors lack an understanding of the certification procedure, do not possess legal business documents such as NIB (Business Identification Number) and PIRT (Home Industry Food Production Certificate), and have not received guidance from Halal Product Process Assistants (P3H). These conditions indicate several barriers preventing MSEs from engaging in the halal certification process. This research aims to analyze: (1) the steps undertaken by MSEs in the halal certification process, (2) the obstacles encountered during the process, and (3) the underlying factors that prevent some business actors from applying for halal certification. A qualitative approach was used, with data collected through in-depth interviews, observation, and documentation involving 15 business actors with varying backgrounds and certification statuses. The findings show that MSEs that have undergone certification followed the self-declare scheme through the SiHalal application, completing steps such as registration, document submission, assistance by P3H, and verification. However, they still face technical difficulties, such as filling out digital forms, document revisions, and limited digital literacy. On the other hand, those who have not applied for certification often lack legal documentation, information, or perceive the certification as unnecessary or burdensome. The study recommends strengthening technical education, expanding mentorship, and simplifying the halal certification process to make it more accessible to MSEs in Putussibau District.

Keywords: Halal Certification Process Analysis, Micro and Small Enterprise, Business Owner Compliance

1. Introduction

Indonesia is the country with the largest Muslim population in the world, with over 230 million people or approximately 86.9% of the total population (Aniqoh et al., 2020). This fact is a crucial basis for why products consumed, used, and marketed by Indonesian society must have a halal guarantee. In line with this spirit, the government issued Law No. 33 of 2014 concerning Halal Product Guarantee, which was strengthened by Government Regulation No. 39 of 2021, requiring all business actors, including Micro and Small Enterprises (MSEs), to have halal certification.

Micro and Small Enterprises (MSEs) are an essential part of the national economic structure. According to the Ministry of Cooperatives and SMEs, the number of MSEs in Indonesia reaches 64.2 million business units and contributes around 60.3% of the national Gross Domestic Product (GDP) (Aniqoh et al., 2020). However, only a small proportion of MSEs have obtained halal certification, especially those in border and rural areas.



Gambar 1. 1 Data UMKM

Sumber : Dinas Koperasi UKM Provinsi Kalimantan Barat

Based on data from the Cooperatives and SMEs Office of West Kalimantan Province in 2023, the number of MSMEs in Kapuas Hulu Regency is recorded at 10,247 units. Of these, micro-enterprises dominate with a proportion of 66.54% or around 6,818 units, which are usually the main source of livelihood for the community. Furthermore, small businesses reach 32.78% or 3,357 units, which generally have greater capacity and produce value-added products. Meanwhile, medium-sized businesses are only around 0.68% or 70 units, but have the potential to contribute to product development and exports (Diskop UKM Kalbar 2023). Among these areas, Putussibau District is recorded to have around 1,832 MSME units, which are mostly the food, beverage, and trade sectors. However, only a small proportion of them have official halal certification from BPJPH. This shows the low awareness and participation of MSMEs in the halal certification program at the district level.

Based on initial observations, many MSME actors in Putussibau District do not understand the importance of halal certification, have never used the SiHalal application, do not have business legality such as NIB and PIRT, and have not received assistance from Halal Product Processors (PPH). Some business actors also consider halal certification to be difficult, unnecessary, and irrelevant for small businesses. These findings are in line with previous research. Ririn Tri Puspita Ningrum (2023) found that MSMEs face administrative obstacles and lack of socialization in the halal certification process. Alisa Sandrina Ramadhani (2024) highlights the importance of assistance in the self-declare scheme for micro-enterprises. Meanwhile, Siti Hoiriyatul Muawwanah and Ahmad Makhtum (2022) reveal the low perception of business actors towards the urgency of halal certification, especially in areas with limited access.

If this condition is not immediately addressed, MSMEs will face serious challenges in marketing, such as difficulty penetrating the halal market, decreasing consumer trust, and potential regulatory violations if they label their products as halal without certification. Therefore, a study is needed to examine the real conditions faced by MSMEs in border areas. In this research, the researcher analyzes the halal certification process from two perspectives: MSMEs that have halal certification and those that do not. For MSMEs that are certified, the researcher will explore in detail the process they went through, the steps they took from registration to document verification, and the various obstacles they faced in following the self-declare halal certification scheme. Meanwhile, for MSMEs that are not certified, the researcher will investigate the reasons why they have not obtained halal certification, whether due to lack of information, limited internet access, lack of business legality, or negative perceptions towards certification. With this approach, the study is expected to provide a comprehensive and contextual overview of the steps, obstacles, and motivations of business actors in implementing halal certification, especially in MSMEs in border areas like Putussibau District.

The majority of Indonesia's population practices Islam, with a proportion reaching 86.9% of the total population. This data reflects the dominance of Islam as the main religion in the country. Additionally, the Global Islamic Economy Report (GIER) for the period 2020-2021 indicates that in 2019, halal food consumption in Indonesia was estimated to reach USD 144 billion, making it a leader in halal food consumption globally. This finding shows that Indonesia has a significant role in the global halal food industry, in line with the increasing awareness of the importance of halal products and the need to meet applicable certification standards (Aniqoh et al., 2020).

The aspect of halal and haram plays a very important role in Islamic law. Halal refers to everything that is allowed or permitted, while haram indicates things that are forbidden. Muslims are expected to consume food that is not only halal but also beneficial to their health (Effendi, 2020). For Muslims, halal labeling or logos indicate that the product has met Sharia law requirements and is safe for consumption. For non-Muslims, halal labeling or logos also reflect guarantees of cleanliness, quality, purity, and product safety (Kartika, 2020). The Ministry of Religious Affairs of the Republic of Indonesia inaugurated the Halal Product Guarantee Agency (BPJPH) on Wednesday, October 11, 2017. BPJPH is a new agency under the Ministry of Religious Affairs tasked with providing halal product guarantees. It is under the Minister of Religious Affairs and is responsible to the minister.

According to Article 6 of Law No. 33 of 2014 concerning Halal Product Guarantee, BPJPH's authority in providing halal product guarantees includes: (1) formulating and establishing halal product guarantee policies, (2) establishing norms, standards, procedures, and criteria for halal product guarantees, (3) issuing and revoking Halal Certificates and Halal Labels on products, (4) registering Halal Certificates for foreign products, (5) conducting socialization, education, and publication of halal products, (6) accrediting halal certification bodies, (7) registering halal auditors, (8) supervising halal product guarantees, (9) providing guidance for halal auditors, and (10) cooperating with domestic and foreign institutions in the field of halal product guarantees (BPJPH).

Certification plays an important role in the food and consumer product industry in Indonesia, which is the country with the largest Muslim population in the world. This process not only ensures the halal status of

products but also provides consumers with confidence in the quality and safety of the products. The importance of halal certification is one way to protect Muslim consumers, in accordance with positive law in Indonesia. Halal provisions for Muslims in consuming food include several aspects, such as raw materials, production methods, presentation methods, and consumption methods (Devi, 2024). Thus, products with halal certification tend to be more in demand, especially in markets that are sensitive to halal aspects.

Putussibau, as one of the areas in Kapuas Hulu, has significant economic potential through micro, small, and medium-sized enterprises, especially micro and small businesses. It is very rare to find micro and small businesses in this area that have halal certification. This can hinder business development and reduce product competitiveness in the market (Pardiansyah, 2022). Micro and small business actors in Putussibau generally operate in the food and beverage sector, which requires halal certainty to compete and be accepted by the Muslim market.

In Putussibau District, Kapuas Hulu Regency, West Kalimantan, the challenges in implementing halal certification are significant and require more attention. The existence of halal certification serves to provide protection, certainty, and information about halal products, as well as a means to apply ethics in business (Ilham, 2022). Public awareness of the importance of halalness is increasing, which encourages business actors to adapt to established standards. However, many micro and small business actors in Putussibau lack understanding of the procedures and regulations for halal certification, which can hinder their compliance with applicable laws.

2. Research Method

This research focuses on the halal certification process among micro and small business actors in Putussibau District. The approach used in this research is qualitative. Qualitative research can be defined as the collection of data presented or expressed in the form of words, sentences, narrative expressions, or images (Nasution, 2023). This approach allows researchers to understand in-depth the dynamics and challenges faced by business actors in obtaining certification.

3. Result and Discussion

3.1. Steps in the Halal Certification Process

Micro and small business actors in Putussibau District start the halal certification process by registering through the SIHALAL system managed by BPJPH. Registration requires an OSS account as the first step. After that, they fill in information related to their business and products, including materials used and production processes, and attach documents such as NIB and identity cards. After registration is complete, business actors are assisted by Halal Product Process Assistants who verify the completeness of data, guide business actors during the submission process, and ensure that all production aspects comply with halal standards.

The next step is for business actors to declare the halalness of their products independently through the self-declare scheme. This declaration signifies that the product has met halal requirements and is ready for further processing. After all stages are complete and documents are declared complete, BPJPH issues a halal certificate that is officially valid.

3.2. Obstacles in the Halal Certification Process

a. Technical Obstacles

These obstacles are mainly related to the use of digital systems, such as OSS (Online Single Submission) and the SiHalal application, which are not familiar to most business actors. The findings in this research are related to the results of a study conducted by Alisa Sandrina Ramadhani (2024). In her research, Alisa found that micro-business actors in South Tangerang City face obstacles in understanding digital technology, including the use of certification applications, and often experience difficulties due to systems that do not run optimally. In addition, halal product assistants also experience obstacles in the mentoring process, mainly due to limited time and lack of in-depth training related to technical aspects (Ramadhani, 2024).

These findings are reinforced by the results of research by Ririn Tri Puspita Ningrum (2022) which highlights that the lack of skills in utilizing information technology is one of the main obstacles in the implementation of online halal certification (Ningrum, 2022). This mainly occurs in business actors in remote areas, who are still

not accustomed to accessing platforms such as OSS and SiHalal applications, and experience difficulties in filling out and completing required documents digitally.

Meanwhile, a literature study conducted by Rizkia Mila Khoiria et al. (2025) shows that the technology-based halal certification process is still considered complex by many MSME actors in Indonesia (Wijiharta, 2024). These obstacles are further exacerbated by the low level of technological understanding, limited mentoring available, and the uneven digital infrastructure that supports the certification process.

b. Administrative Obstacles

Some micro and small business actors face administrative obstacles during the halal certification process. These obstacles are related to the documents that must be fulfilled, such as Business Registration Number (NIB), Taxpayer Identification Number (NPWP), and difficulties in ensuring the halalness of raw materials used. In addition, there are also delays in the process due to limited quotas for mentors available during the submission process. These findings strengthen the results of Ririn Tri Puspita Ningrum's research (2023) which states that most business actors experience administrative obstacles due to a lack of understanding of the types of documents required and not having official business documents (Ningrum, 2022).

MSME actors often feel burdened when they have to complete supporting documents because not all of them are incorporated or have complete business licenses (Muawwanah, 2022). From the perspective of policy implementation theory, this reflects that administrative obstacles are a form of limited resources and bureaucratic readiness in accommodating small business actors who are new to the halal certification system.

c. Factors Causing Lack of Halal Certification

1. Lack of Information and Socialization

One of the main causes found is the lack of information and socialization received by business actors regarding the halal certification process. Informants conveyed that during the operation of their business, they have never received direct technical explanations, either from the government or halal mentors.

2. Lack of Business Legality

Some informants stated that they do not have business legality documents such as Business Registration Number (NIB) or Taxpayer Identification Number (NPWP). However, both documents are prerequisites for registering for halal certification. This condition indicates that some micro business actors still operate informally without adequate administration, thus hindering access to halal certification services.

3. Not Feeling the Need or Urgency

Another factor that emerges is the perception that halal certification is not a pressing need. Some business actors stated that there has been no demand from consumers regarding halal certificates, or they feel that their business scale does not require such legality.

4. Technical and Digital Access Obstacles

Limitations in terms of access to technology and information become one of the obstacles felt by business actors. Some informants admitted that they did not know that the halal certification process is now done online. In addition to not being accustomed to using digital devices, they also do not have mentors who can explain directly.

4. Conclusion

The conclusions of this study are as follows: 1). The halal certification process for MSME actors in Putussibau District follows the stages set by the Halal Product Guarantee Agency (BPJPH) through the SiHalal system. Business actors start by creating an OSS account and filling in business data, product information, raw materials, and uploading supporting documents. After that, business actors receive assistance from partner institutions such as the Cendekia Muslim Education Foundation (YPCM), which helps verify materials and production processes. If all requirements are met, business actors declare the halalness of their products through a self-declare mechanism, and BPJPH will issue a halal certificate, 2). The obstacles faced by MSME actors during the certification process include low digital literacy, limited understanding of the certification process, difficulty accessing mentors, and production facilities that do not meet halal standards. Some business actors also

experience difficulties in preparing administrative documents because they are not accustomed to using online-based systems, 3). MSME actors who have not obtained halal certification are generally due to lack of information and socialization, not having business legality such as NIB and NPWP, and not feeling the need to obtain halal certification because their business is still small and local. In addition, technical limitations, low access to digital technology, and lack of initial mentoring are also inhibiting factors.

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