

DETERMINANT OF MSMEs ACTORS' INTEREST IN APPLYING FOR HALAL CERTIFICATION (TOWARDS HALAL MANDATORY 2024)



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Abstract

In UUD No.33 of 2014, it is explained that the halal certification decision "halal certification must be present on all products", in its implementation or reality, there are still many products that have not received halal certification. The direction of this research is to examine the impact of religion on halal certification procedures partially and simultaneously, and halal certification regulations on interest in halal certification among MSMEs in Bojonegoro. Based on 168 questionnaires distributed to the audience, by applying proportional stratified random sampling techniques and studied using a multiple linear regression model, research results were obtained which showed that religiosity, halal certification procedures, and certification regulations simultaneously influence the interest in halal certification among MSMEs actors in Bojonegoro. Partially, the variables of religiosity, halal certification procedures, and certification regulations have a positive and significant influence on the interest in Halal Certification among MSMEs in the Bojonegoro area.

Keywords: Halal Certification, Religiosity, Halal Certification Procedures, Certification Regulations

INTRODUCTION

Halal requirements for products circulating in the Indonesian market are not only of interest to government authorities and political issues but are also a common problem that must be resolved as a means of protection and guarantee for products consumed by the Muslim community (Aliyanti, 2022). For this reason, certification and labeling of halal products is important (Zulham, 2018).

In Indonesia, halal issues receive great attention because Indonesia is a country with a majority Muslim population, with a percentage of 87.18%. Halal studies are something that needs to be considered in every business sector, including MSMEs which are the main axis of national commerce. especially after the enactment of the Law of the Republic of Indonesia Number 33 of 2014 concerning Halal Product Guarantees, applications for halal certification by producers are mandatory or mandatory (Nasori et al., 2022).

Currently the number of MSMEs who are halal certified in Indonesia is quite low. In 2019, the number of Micro and Small Enterprises in Indonesia was recorded as reaching 65,471,134 business units, however, by the end of 2021, only 1% of the total number of MSMEs had been certified halal. And in 2022 at LPPOM MUI, there are 10,643 business actors who have been certified halal (Jakiyudin & Fedro, 2022).

In Bojonegoro district itself, several food and beverage businesses do not yet have halal certificates from the Halal Product Guarantee Agency (BPJPH). Referring to data from the Bojonegoro Ministry of Religion's halal task force, the number of halal certificates for Bojonegoro food and beverage businesses lags far behind neighboring districts, namely Tuban and Lamongan. In 2022, Bojonegoro will only have 290 MSMEs that have halal certificates, while Tuban will reach 600 and Lamongan 800 (M. Yusuf Purwanto, 2023). This is certainly a problem and challenge for Bojonegoro Regency at this time. The obligation for halal certification has been explained in the mandate of the Halal Food Guarantee Law which states that products entering, circulating and traded in Indonesia are obliged to have a halal certificate. Possession of universal halal standards is also important for increasing public trust (Bakhri, 2020).

Halal certification is important to guarantee that consumers consume food, but the fact is that there are still many people who do not have a halal certificate. In fact, as stated in the law, starting October 17th 2024, products without halal certification will be subject to

sanctions or their products will be suspended from circulating in the community, so it is necessary to carry out research related to the interests of MSME actors in relation to the procedures and regulations. has been determined by the government so that it can accelerate the achievement of halal certification.

REVIEW OF LITERATURE

Halal Certification

A halal certificate is the halal level of a product or item that complies with Islamic religious law based on a written fatwa from the Indonesian Ulema Council (MUI). This halal certificate is a requirement to obtain the halal mark on the product packaging provided by LPPOM MUI. One effort to prevent all forms of fraud in products regarding their halal content is with Halal Certification. For some Muslims, processed meat products are declared halal, however, if the meat is analyzed there are ingredients or processes that are not halal. The state as an inspector implements halal certification as mandatory for business actors. To obtain a halal certificate and to include the halal logo on MSME products, they must submit a request for a halal certificate issued by LPPOM MUI.

Religiosity

According to D. Ancok (1994:79) religiosity is a variety that consists of various sides, not just when people carry out religious activities but when people carry out activities that are motivated by the supernatural. Human belief in all its limitations and weaknesses and the strength of the threats of the natural environment around it. So, this feeling of absoluteness will make humans look for supernatural powers to protect their lives with powers that are beyond God's will. Based on the definition above, it can be concluded that religiosity is a form of a person's appreciation of religion and makes a religion a control, and all forms of treatment are always oriented towards the religion he believes in.

Procedure

According to Prabowo (2015), limited information means that many entrepreneurs do not properly understand the procedures for carrying out Halal Certification. There are several procedures that must be understood and implemented in the standard halal guarantee system. Lack of professional guidance is sometimes a barrier for a business actor to carry out

certification. Professional guidance from outside the company is very necessary in implementing quality standards. This is necessary to clarify various requirements and procedures that still feel new for business owners to start implementing. The producers' lack of understanding of the procedures for obtaining halal certificates can be an evaluation material for LPPOM MUI. This is because LPPOM MUI is a certification body that plays a role in providing outreach about Halal Certification. The following is a scheme of halal certification procedures.

Regulations

Halal Certification Regulations are Government policies and support in strengthening the implementation of halal certification in the food industry. To provide clarity for Muslims about the halalness of various foods or drinks. In the regulations issued by the Minister of Health regarding the affixing of the halal mark to beverage and food labels. This decision is a joint decision of the Minister of Religion and Health in 1985.

Previous Research

Table 1.
Previous Research

No	Research Title	Author, Year of Research	Research Result
1	Response of Chicken Slaughterhouse Business Actors to the Requirement of Halal Certification	Anwar MK, 2020	Judging from various cognitive, affective, conative or psychomotor aspects, large business actors already know, but small business actors still don't know about the obligations of halal certification.
2	SEHATI Program: Ease of Implementing Halal Certification for MSMEs	Nur SK, Istiqomah I, 2021	Awareness of MSME business actors is still quite low regarding halal certification even though there is a free program from the government
3	The Urgence Of Halal Certification For MSME Business	Rido M, Sukmana AH, 2021	Halal certification for MSME products has been proven to be able to increase consumer buying interest and purchasing decisions, as well as being able to increase MSME sales turnover after having halal certification.

No	Research Title	Author, Year of Research	Research Result
4	Halal Certification and Its Implications for Halal Product Businesses in Indonesia	Warto W, Samsuri S, 2020	For consumers, halal certification provides protection, guarantees, information about product halalness and is an instrument of business ethics. For business actors, it increases trust and reaches the market
5	Halal Certification Decision by MSMEs in Bangkalan (Do Religiosity and Certification Costs Have an Influence?)	Nuraliyah I, Adiba EM, Amir F, 2023	The religiosity factor does not have a significant effect on the halal certification decision, while the variables of knowledge, understanding and certification costs have a significant effect on the halal certification decision by

From previous research, researchers see that applying for halal certification is an obligation that must be carried out by business actors (Anwar, 2020) in order to increase trust and reach the market from consumers (Rido & Sukmana, 2021) (Warto & Samsuri, 2020) However, business actors and MSMEs tend to ignore this certification so that the current condition of interest is still relatively low (Isnaini Nuraliyah, Adiba, & Amir, 2023) (Nur & Istikomah, 2021). So, it is interesting to carry out further research with the novelty that is included and the new approach used is to include the variables of halal certification procedures and halal certification regulations, apart from the religiosity variable. So with this research we can follow whether the procedures that have been carried out and the regulations set by the government can be properly understood or not by business actors to apply for halal certification.

Based on the preliminary research that has been presented, the theoretical framework of this research is described as follows:

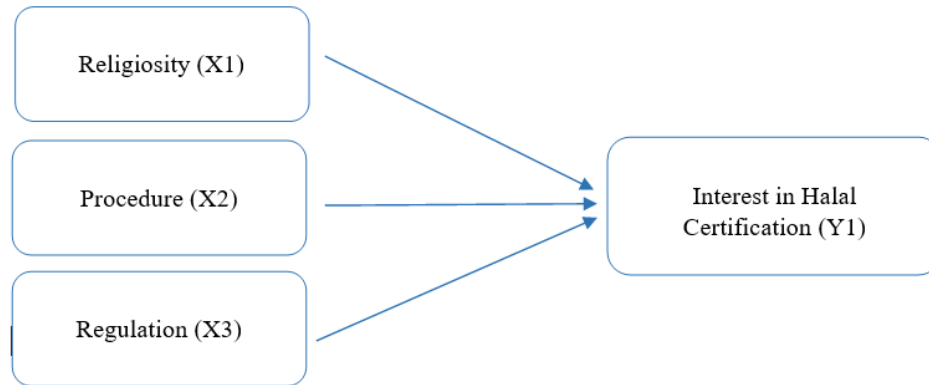


Figure 1.
Conceptual Framework

Based on the conceptual framework and definitions of each variable that have been prepared, the hypotheses proposed in this research include:

H1: There is an influence of religiosity on interest in halal certification

H2: There is an influence of procedures on interest in halal certification

H3: There is an influence of regulations on interest in halal certification

RESEARCH METHOD

This type of research involves going directly into the field (field research) where the research is carried out in a systematic way using data found in the field. This research is intended to obtain data and also the data used is primary data. The population and sample in this research are SMEs who have proposed halal certification to the halal product guarantee management body, the Ministry of Religion, Bojonegoro Regency, totaling 290. Then samples were taken using the Slovin approach with a margin of error of 10%, so the total number of respondents in this research was 78 MSMEs in Bojonegoro Regency.

The data collection and analysis technique used in this research is the main data obtained directly from the research sample, namely MSME actors who have proposed halal certification using questionnaire and interview methods both offline and online. The data analysis technique used in this research is multiple linear regression.

RESULTS AND DISCUSSION

From the research it can be seen that the sustainability test results obtained a value of 70.9%. And the determination test obtained a value of 48.2%. It can be implied that the factors religiosity (Rg), Halal Certification Procedures (Psh), Halal Certification Regulations (Rsh) have a relatively strong relationship with Interest in Halal Certification.

Validity Test Results

The data in the research was carried out statistically, namely by using the Pearson product-moment coefficient of correlation test using a computer application called the SPSS 21 program. From the data processing results, a value of 5% valid statements was obtained. If done manually, the correlation value obtained must be comparable to the correlation threshold value where the results will show that all statement variables have r-count > critical correlation value and n = 78 with a significance value of 5%, and all these statements have credible validity. In table 4 you can see the results of the validity test.

Table 2.
Validity Test

Variable	Question Items	Correlation Coefficient	Critical r-value (n=78)	Information
Interest in Halal Certification (Msh)	Y.1	0.768	0.1975	Valid
	Y.2	0.790		
	Y.3	0.871		
	Y.4	0.820		
Religiosity (Rg)	X1.1	0.742	0.1975	Valid
	X1.2	0.794		
	X1.3	0.776		
	X1.4	0.754		
	X1.5	0.649		
Halal Certification Procedure (Psh)	X2.1	0.869	0.1975	Valid
	X2.2	0.850		
	X2.3	0.842		

Halal Certification Regulations (Rsh)	X3.1	0.820		
	X3.2	0.829	0.1975	Valid
	X3.3	0.723		

Based on table 2, all variables used are valid in this research, because the correlation of critical product moment values is around 0.1975, so further research needs to be done to be said to be valid.

Reliability Test Results

To analyze the results of the questionnaire used, this research uses a reliability test method. The analysis used is to interpret the relationship between the scale values that have been created and all the existing variables. The reliability test results obtained for the dependent and independent variables stated credible results. The resulting value is > 60 so that all variables are declared proficient.

Table 2.
Reliability Test

Variable	Number of Items	Cronbach Alpha	Information
Interest in Halal Certification	4	0.828	Reliable
Religiosity	5	0.797	Reliable
Halal Certification Procedure	3	0.813	Reliable
Halal Certification Regulations	3	0.246	Reliable

The Cronbach Alpha value is the result of data processing for each variable > 0.6 , which indicates that the variables used are declared reliable.

Normality Test Results

To get Normality test results, you can use the Kolmogorov Smirnov method. This method aims to be able to find out the regression model of damaging variables or also called

residuals. By using the Normality test results, there is no data that cannot be used, everything can be used using a one sample table. If the significance value is more than 0.05 in Table 6.

Table 3.
Normality Test
One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		78
Normal Parameters ^{a,b}	Mean	0,0000000
	Std. Deviation	0,33639474
Most Extreme Differences	Absolute	0,074
	Positive	0,074
	Negative	-,070
Test Statistic		0,074
Asymp. Sig. (2-tailed)		0,200 ^{c,d}

Based on the results in table 3, it shows that the significant value (p value) is around 0.200, this value is higher than 0.05, thus the data above has a normal data distribution or the research data in this study is normally distributed.

Multicollinearity Test Results

To see the presence or absence of multicollinearity in a regression model, it can be seen from the tolerance and VIF values. The value that is usually used to show the presence of multicollinearity is a tolerance value > 0.10 or equivalent to a VIF value < 10. So, the research results from the multicollinearity test can be seen in table 4.

Table 4.
Multicollinearity Test Results

Variable	Collinearity Statistics	
	Tolerance	VIF
Religiosity	0.558	1,793
Halal Certification Procedure	0.431	2,320
Halal Certification Regulations	0.545	1,836

In Table 4 it can be seen that the final result of the tolerance value is greater than 0.1 and the VIF value is less than 10, so we can draw the conclusion that there is no multicollinearity between the independent variables.

Partial Test (t Test)

In this test to determine the influence of the independent variable on the dependent variable personally and assume that the other dependent variables are constant. This influence can be estimated by comparing the value from the t table with the value from the calculated t. Following is Table 5.

Table 5.
Partial Significance Test Results (t Test)

Variable	B	t-hit	Sig
Religiosity	0.311	2,823	0.006
Halal Certification Procedure	0.265	2,121	0.037
Halal Certification Regulations	0.246	2,212	0.030

t-table = 1.7855

Analysis of the t value test to obtain the Religiosity (Rg) variable obtained a tcount value of 2.832 and a ttable value of 1.7855, so $t_{count} > t_{table}$ ($2.832 > 1.7855$) with a significant value of 0.000, meaning less than 0.05, then H1 was obtained, which means Religiosity (Rg) has a positive effect on Interest in Halal Certification (Msh).

The t test analysis for the Halal Certification Procedure (Psh) variable obtained a tcount value of 2.121 and a ttable value of 1.7855, so $t_{count} > t_{table}$ ($2.121 > 1.7855$) with a significant value of 0.007, meaning it is less than 0.05, so H2 was obtained, which means there is positive influence between Halal Certification Procedures (Psh) on Interest in Halal Certification (Smh).

The t test analysis for the Halal Certification Regulation (Rsh) variable obtained a tcount value of 2.212 and a ttable value of 1.7855, so $t_{count} > t_{table}$ ($2.212 > 1.7855$) with a significant value of 0.494, meaning it is more than 0.05, so H3 is rejected, which means the Regulation Halal Certification (Rsh) has a positive impact on Interest in Halal Certification (Msh).

Simultaneous Test Results (f Test)

In this research, it can be seen that the sample value range (n) is 78 and the total number of variables is 4 so that f is obtained, which is 2.47. The calculated F value will be obtained by using the help of the SPSS application, then the value will be compared to Ftable at the $\alpha = 5\%$ level. So, the results in Table 6 are obtained.

Table 6.
Simultaneous Test Results (f Test)

Model	Df	Mean Square	F	Sig
Regression	3	2,928	24,865	0,000
Residual	74	0,118		
Total	77			

In Table 6 we can see that the results of obtaining Fcount in column F are around 24.865 with a significant level value of around = 0.000 which is higher than the Ftable value, namely 2.47 with an error level of $\alpha = 15\%$, or in other words $F_{count} > F_{table}$ ($24.865 > 2.47$). From the test results criteria, a hypothesis is obtained if $F_{count} > F_{table}$ and the level of significance is ($0.000 < 0.05$), showing that the effect of the independent variables simultaneously is significant on the dependent variable Interest in Halal Certification.

Determination Test Results (R2 Test)

The R2 test is used to determine how well the proportion of variation in the independent variables can explain the dependent variable. Based on the statistical test results shown in Table 7.

Table 7.
Determination Test Results (R2 Test)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0,709	0,502	0,482	0,34315

In Table 7, you can see the results obtained from the R2 gain in the R Square column, namely 0.482. From the data obtained, it is known that the variable has an influence of 48.2% on the variable Interest in Halal Certification (Msh). From the criteria for hypothesis testing results, if the result is almost 1, it means that the independent variables produce almost all the information desired to estimate the combination of dependent variables. Meanwhile, the

remaining 51.8% can be explained by other variables not examined in this research. The aim of this research is to find out how much the independent variable contributes to the controlling variable and to strengthen the regression results.

Results of Multiple Linear Regression Analysis

From what is explained in the formulation of the hypothetical problem, this research will analyze the influence of Religiosity, Halal certification procedures, and Halal certification regulations as independent variables on Interest in Halal Certification as a dependent variable simultaneously or partially. So the output of the multiple linear regression analysis is seen in Table 8.

Table 8.
Results of Multiple Linear Regression Analysis

Variable	B	t-hit	Sig
Religiosity	0.311	2,823	0.006
Halal Certification Procedure	0.265	2,121	0.037
Halal Certification Regulations	0.246	2,212	0.030

t-table = 1.7855

The results of multiple linear regression analysis in Table 12, the following equation can be obtained:

$$Y = 0.311Rg + 0.265Psh + 0.246Rsh$$

From the results of the following linear regression equation the following can be produced:

1. $Rg = 0.311$ states that if Religiosity increases by 1 on the Likert scale units, and the other independent variables are absolute, and Interest in Halal Certification will result in an increase of 0.311 or 31.1% on the Likert scale units.
2. $Psh = 0.265$ states that if the Halal Certification Procedure increases by 1 on the Likert scale unit, and the independent variables are absolute, and Interest in Halal Certification will result in an increase of 0.265 or 26.5% on the Likert scale unit.

3. $R_{sh} = 0.246$ states that if the Halal Certification Regulation increases by 1 on the Likert scale unit, and the other independent variables are absolute, then Interest in Halal Certification will result in an increase of 0.246 or 24.6% on the Likert scale unit.

CONCLUSION

Based on the results of research that has been carried out, the effect of Religiosity, Halal Certification Procedures, Halal Certification Regulations on Interest in Halal Certification for SMEs in Bojonegoro. Religiosity is the most dominant factor influencing MSME actors in processing halal certification, therefore business actors should further increase their understanding of religion regarding the urgency of guaranteeing halal products.

The Halal Certification Procedure is the factor that most influences packaged food businesses in processing halal certification. The Halal Certification Party should minimize the procedural files or processes in fulfilling the halal certification requirements to make it easier for business actors to process halal certification, thereby increasing the number of halal certificates.

Halal Certification Regulations are factors that influence packaged food businesses in processing halal certification. The government should increase outreach regarding UU.No.33 of 2014 concerning Halal Product Guarantees to business actors. For Bojonegoro district, we must continue to collaborate with LPPOM MUI Bojonegoro in creating Halal Certification Regulations to improve local products so they can reach the global halal market.

It is hoped that future research will not be limited to religiosity variables, halal certification procedures, and halal certification regulations but will also add other variables or use other variables in research such as; capital, sales turnover, and so on.

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