



THE POLICY IMPLEMENTATION OF LAW NO. 33 OF 2014 CONCERNING HALAL PRODUCT GUARANTEES (UU JPH) FOR MICRO-SMALL BUSINESSES IN THE FOOD AND BEVERAGE SECTOR IN SURABAYA CITY

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Ozie Karunia Akbari^{1*}, Ali Sahab¹, Hari Fitrianto¹, Febby Risti Widjayanto¹, Adam Mochammad Naufal²

¹Department of Politics, Faculty of Social and Political Sciences, Universitas Airlangga

²Department of Chemistry, Faculty of Science and Technology, UIN Sunan Kalijaga Yogyakarta

*Corresponding author: ozieakbari26@gmail.com

ABSTRACT

Micro and small enterprises (MSEs) are a sector that is important to the country's economy. Despite the limited resources, MSEs have resilience to economic crises. This research focuses on a policy implementation study of Law No. 33 of 2014 concerning Halal Product Guarantee (JPH Law) on micro and small scale businesses in the food and beverage in Surabaya City. This research raises two problem formulations, the role played by stakeholders in this law to increase halal certificates of micro small businesses in the food and beverage in Surabaya City and the obstacles faced by stakeholders in increasing halal certificates of micro small businesses in the food and beverage in Surabaya City. Researchers used the theory of policy implementation initiated by Merilee S. Grindle. This research uses descriptive qualitative methods and uses direct observation and interviews with various sources to obtain primary data. Secondary data are obtained through searches from various sources. The result of this research is that are three kinds of stakeholder actors in the implementation of the JPH Law, government, non- government institutions, and micro and small business actors in Surabaya City. Government and non-government institutions in Surabaya City organize various kinds of collaboration programmes in order to implement the JPH Law in Surabaya City. However, the implementation of the JPH Law in Surabaya City has encountered many obstacles due to weaknesses in the content of policy and context of implementation of the JPH Law that is not in accordance with the needs of the society.

Keywords: Policy Implementation, Halal Certification, Socialization, Halal Product Guarantee.

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INTRODUCTION

Micro and Small Enterprises (MSEs) hold a vital position in Indonesia's economy, accounting for approximately 60% of the Gross Domestic Product (GDP) and employing 75% of the workforce outside the agricultural sector. (BPS, 2019). In addition to its resilience to economic crises, as evidenced in 1998 and 2008, the sector also supports economic resilience through the utilization of local resources and domestic economies of scale (Lestari, 2014). However, the sustainability of MSEs is often hindered by government policies that require significant adaptation, such as the implementation of Law No. 33/2014 on Halal Product Guarantee (JPH Law).

The JPH Law mandates that all food and beverage products available in the market must obtain a halal certificate to ensure consumer confidence in the halal status of the products. (UU No. 33 Tahun 2014, Pasal 4). This certification is issued by the Halal Product Guarantee Agency (BPJPH) based on a fatwa from the Indonesian Ulema Council (MUI). Before the enactment of this law, halal certification was voluntary and fully regulated by LPPOM MUI. However, with the passage of the JPH Law, the certification process is an obligation that binds all business actors, including MSEs.

Surabaya City, as one of the main economic centers in Indonesia, provides an interesting context for studying the implementation of the JPH Law. Surabaya has more than 55,509 MSEs in the food and beverage sector, but only 19,000 of them have obtained halal certificates by 2024 (Pemerintah Kota Surabaya, 2021). This suggests significant barriers to the implementation of the policy, such as burdensome certification fees, limited subsidy quotas in the self-declare scheme, and low digital literacy among businesses (Mya & Handayani, 2023; Ningrum, 2022).

In addition to administrative and technical challenges, this mandatory halal policy also faces social resistance in a multicultural city like Surabaya. As a city with religious and ethnic diversity, this Islamic law-based policy has led to perceptions of discrimination, especially for non-Muslim businesses (Nurhalizah, 2023). The policy is also perceived as adding to the business burden for MSEs, most of which operate with limited resources, such as small capital, low access to technology, and dependence on local markets (Hutagalung, 2021).

On the other hand, implementing the JPH Law offers a great opportunity for Indonesia to cement its position as the center of the global halal industry. With the largest Muslim population in the world, Indonesia has enormous halal market potential. Globally, the value of the halal industry is projected to reach USD 2.3 trillion, and halal consumption trends are also growing in non-Muslim countries such as Canada, Australia, and the United States (Nurhalizah, 2023). This policy, if implemented well, can not only strengthen the competitiveness of Indonesian products but also encourage halal-based economic growth.

This research aims to analyze the role of stakeholder actors - government, non-government institutions, and MSEs - in implementing the JPH Law in Surabaya. In addition, this study explores the main obstacles faced by its implementation. Using Merilee S. Grindle's policy implementation theory approach, which highlights the importance of the content of policy and the context of implementation, this research is expected to make an academic contribution to the development of policy studies and provide practical recommendations to improve the effectiveness of halal policy implementation.

METHODOLOGY

This research uses a descriptive qualitative approach to analyze the implementation of Law No. 33 of 2014 concerning the Halal Product Guarantee in Surabaya City. This approach aims to understand the role of stakeholder actors and the obstacles faced in implementing the policy (Grindle, 1980).

The research focuses on micro and small enterprises (MSEs) in the food and beverage sector and involves government, non-government, and community institutions as the main actors. Primary data was obtained through in-depth interviews with resource persons consisting of MSE actors, officials of the Halal Product Guarantee Agency (BPJPH), as well as supporting institutions such as MUI and Higher Education Halal Centres. In addition, secondary data were collected from official reports, policy documents, and scientific publications.

Data collection techniques were conducted through field observations, semi-structured interviews, and documentation. Interviews were conducted using purposive sampling to ensure relevant informants have in-depth knowledge related to the implementation of the JPH Law. The data obtained was then analyzed using thematic methods to identify key patterns related to the roles of actors and policy implementation constraints (Miles & Huberman, 1994).

This research refers to the theory of policy implementation by Merilee S. Grindle which includes two dimensions: content of policy and context of implementation. These dimensions are used to evaluate the extent to which the policy can be implemented and provide benefits to the target group (Grindle, 1980).

RESULTS AND DISCUSSION

This study reveals that the implementation of Law No. 33 of 2014 concerning Halal Product Guarantee (JPH Law) in Surabaya City involves three main groups of actors, namely the government, non-governmental institutions, and Micro and Small Enterprises (MSEs). The government, represented by the Halal Product Guarantee Agency (BPJPH), the Ministry of Religious Affairs, and the Surabaya City Government, plays a role in directing, managing, and facilitating this policy. Meanwhile, non-



governmental institutions such as the Indonesian Ulema Council (MUI) and the Higher Education Halal Centre are partners in supporting policy implementation, including through halal certification training and assistance. MSE actors, as the main subject of the policy, play a role in the implementation process by applying for halal certification for their products, although they often face various obstacles (Mya & Handayani, 2023).

Role of Stakeholder Actors

Surabaya City Government has taken active steps in implementing the JPH Law by providing various support programs. One important initiative is halal policy socialization that aims to increase MSEs' understanding of the benefits and requirements of halal certification. In addition, the government also facilitates businesses with a self-declare-based halal certification program, which allows MSEs to apply for certification for free, although limited to the available quota.

Collaboration with higher education institutions such as Airlangga University, Sepuluh November Institute of Technology, and Surabaya State University has also had a positive impact. Through halal centers at each university, halal experts and auditors are provided to support the certification process. This collaboration not only accelerates policy implementation but also improves the quality of supervision of certified products. However, the effectiveness of this measure is highly dependent on good coordination between the government and non-governmental organizations and businesses.

Constraints in the Implementation of the JPH Law

This research also identified several significant obstacles in the implementation of the JPH Law in Surabaya. One of the biggest obstacles is the cost of halal certification. The regular scheme, which costs IDR 650,000, is considered burdensome by MSE actors, especially those with unstable incomes. Meanwhile, the quota for the self-declare scheme, which only provides one million quotas per year at the national level, is not enough to meet the needs of MSE actors in Surabaya, which number in the tens of thousands (Ningrum, 2022; Mya & Handayani, 2023).

In addition to the cost issue, the low level of digital literacy among MSEs, especially those who are older, poses an additional challenge. Many MSEs find it difficult to fill out documents and follow the online procedures required to apply for halal certification. This obstacle is exacerbated by the lack of access to legal documents such as Business Identification Number (NIB), Home Industry Food permit (PIRT), and Taxpayer Identification Number (NPWP), which are key requirements in the certification process (Hutagalung, 2021).

Another challenge comes in the form of social resistance, especially in a multicultural city like Surabaya. Halal policies based on Islamic law are often considered discriminatory by non-Muslim businesses. Many of them feel that this policy imposes additional burdens that are irrelevant to their business needs. This has led to the perception that the JPH Law is less inclusive and only accommodates the needs of the majority group (Nurhalizah, 2023).

Analysis Based on Policy Implementation Theory

From the perspective of Merilee S. Grindle's policy implementation theory, these barriers can be analyzed through two dimensions: content of policy and context of implementation. In the content dimension, the JPH Law is designed to provide protection to Muslim consumers by ensuring product halalness. However, this policy does not take into account the heterogeneous conditions of MSE actors, especially regarding their financial and administrative capabilities.

In the context dimension, policy implementation is highly dependent on supporting infrastructure and the capacity of implementing actors. In Surabaya, constraints such as limited subsidy quota, low digital literacy, and lack of coordination between actors are still the main barriers to effective implementation. Nonetheless, the collaboration between the government, non-governmental organizations, and the university provides hope for the future improvement of policy implementation (Grindle, 1980; Mya & Handayani, 2023).

Opportunities and Prospects for Policy Implementation

Despite the many challenges faced, the JPH Law still provides a great opportunity to encourage the growth of the halal industry in Indonesia. With the world's largest Muslim population and growing global demand for halal products, this policy can strengthen Indonesia's position as the center of the international halal industry. The value of the global halal industry is estimated at USD 2.3 trillion, with



growing market potential even in non-Muslim countries such as Canada, Australia, and the United States (Nurhalizah, 2023).

To achieve this potential, the government needs to take strategic steps to overcome implementation obstacles. Some recommendations include increasing the subsidy quota for the self-declare scheme, simplifying the administrative process, and strengthening digital literacy among MSEs. In addition, more inclusive socialization and collaboration between actors need to be improved so that this policy can be accepted by all groups of society, both Muslim and non-Muslim. With a more adaptive and inclusive approach, the JPH Law has the potential to provide significant economic benefits while improving the welfare of MSE actors in Indonesia.

CONCLUSIONS

This study concludes that the implementation of Law No. 33 of 2014 concerning Halal Product Guarantee (JPH Law) in Surabaya City involves three main stakeholder groups, namely the government, non-governmental institutions, and micro and small business actors (MSEs). The government acts as a facilitator through BPJPH and various assistance programs, while non-governmental institutions such as MUI and university halal centers support from the technical side. On the other hand, MSEs are the main actors in applying for halal certification, despite facing various obstacles such as high certification costs, limited quota for the self-declare scheme, low digital literacy, and social resistance from non-Muslim business actors who feel burdened by this obligation.

These obstacles indicate that the policy needs to be reviewed in terms of the content of the policy and the context of implementation. By overcoming obstacles through increasing subsidy quotas, simplifying procedures, and strengthening digital literacy, the JPH Law has a great opportunity to support the growth of Indonesia's halal industry and the welfare of MSEs. If this policy can be implemented with an inclusive and adaptive approach, then Indonesia has the potential to become a major player in the global halal industry.

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