

THE IMPACT OF THE FREE HALAL CERTIFICATION PROGRAM (SEHATI) ON THE REVENUE GROWTH OF MICRO, SMALL, AND MEDIUM ENTERPRISES (MSMES)

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Abstract

The Indonesian government's role in optimizing the halal economy includes initiatives such as the Free Halal Certification Program (SEHATI) for Micro, Small, and Medium Enterprises (MSMEs), which has demonstrated a substantial impact on income levels. Halal certification has been shown to positively affect revenue growth among MSMEs. In Mataram City, in particular, MSMEs experienced significant increases in income following the acquisition of halal certification. The SEHATI program for MSMEs in Mataram is coordinated by various institutions, including the Halal Center at UIN Mataram, the Ministry of Religious Affairs, the Department of Cooperatives and MSMEs, and the Department of Industry and Trade. The aim of this study is to implement and analyze the impact of the SEHATI Free Halal Certification Program on the income growth of MSMEs in Mataram City. This research employs a qualitative methodology, utilizing field research techniques such as observation, interviews, and data collection through documentation. The findings indicate that the SEHATI program has had a significant impact on the income levels of MSMEs in Mataram City. The implementation of the SEHATI program involves several key elements: first, effective communication; second, human resource development; third, the role and attitude of program implementers; and fourth, the organizational structure, emphasizing the importance of collaboration among implementing bodies. The provision of free halal certification through the SEHATI program has notably increased the income of MSMEs in Mataram City, empowering business owners to market their products with enhanced confidence.

Keywords: Halal Certification, MSMEs, Income

1. INTRODUCTION

Islam is a religion that emphasizes comprehensive care, addressing all aspects of its followers' lives. It establishes guidelines for human activities, assessing them based on their potential benefits and harms. Islamic teachings clarify that actions or items that are beneficial are deemed permissible, while those that are harmful or devoid of benefit are prohibited (Salsabi, 2021). This principle is reinforced in a hadith reported by Bukhari and Muslim, which underscores the importance of distinguishing between beneficial and harmful actions :

عَنْ أَبِي عَبْدِ اللَّهِ النُّعْمَانِ بْنِ بَشِيرٍ رَضِيَ اللَّهُ عَنْهُمَا قَالَ: سَمِعْتُ رَسُولَ اللَّهِ صَلَّى اللَّهُ عَلَيْهِ وَسَلَّمَ يَقُولُ: إِنَّ الْحَلَالَ بَيِّنٌ وَإِنَّ الْحَرَامَ بَيِّنٌ، وَبَيْنَهُمَا أُمُورٌ مُشْتَبِهَاتٌ

“From Abu Abdillab An-Nu'man bin Bashir, may Allah be pleased with him, who said: "I heard the Messenger of Allah, peace and blessings be upon him, say: 'Indeed, what is lawful is clear, and what is unlawful is also clear. However, between the two are matters that are doubtful (ambiguous) and not clearly known.'” (Syafi'i, 2004)

In the culinary industry, the halal status of products has become a critical concern for business owners, significantly influencing consumer purchasing decisions. According to data from The Royal Islamic Strategic Studies Centre (RISSC), the Muslim population in Indonesia reached 240.62 million in 2023, representing 86.7% of the total national population of 277.53 million. This underscores the importance of halal certification for business operators (Saefullah et al., 2023).

The primary objective of halal certification is to protect the rights of consumers, particularly Muslims, by ensuring that a product meets halal standards. The benefits of halal certification are critical for consumers, business owners, and the government alike. It not only alleviates consumer concerns about the halal status of a product but also ensures the appropriate use of raw materials, preventing the misuse of harmful ingredients (Alissa et al., 2023). To remain competitive in the global marketplace and the era of free trade, micro, small, and medium enterprises (MSMEs) must produce high-quality, marketable, and competitive products (kompasiana.com).

Mataram City is one of the cities in NTB Province that has the potential to contribute to economic development in NTB. Mataram City has an important role in growing MSMEs in Mataram City. The contribution of the MSME sector to economic development in Mataram City is very large, and as one of the leading sectors, MSMEs are able to absorb a large number of workers.

Mataram City is one of 10 regencies/cities in NTB with the largest number of MSMEs in NTB Province with a total of 22,473 units or 22% of all formal MSMEs in NTB Province. The composition of formal MSMEs in Mataram City is dominated by micro businesses with a total of 15,746 or 70% small businesses as many as 6,194 units or 26% and finally medium businesses with a total of 4%. (Disperinkopumkm, 2022)

Clearly, related to the types of products in MSMEs that are spread and have Halal Certification in various sub-districts in Mataram City, including the following:

Table 1.1 Data on MSMEs in Mataram City with Halal Certification for the Year 2022-2023

NO	Business Owner's Name	Type of Product/ Brand Name	Address
1	Hul Fathurrahmah	Stik Rumout Laut	Cakranegra barat, Kec Cakranegara
2	Nur Khoirani	Indosasak	Kekalik Jaya, Kec. Sekarbela
3	Siti Qoriq	Dapoer Mie Lombok	Seganteng Subagan, Cakranegara Selatan
4	Eunike Hanny Kawihardja	Honey Choco	Sayang-sayang cakranegara
5	Fatmala Rizki	Terasi Udang	Ampenan Utara, Ampenan
6	Wahyu Sri Andayani	Kripik Tempe Sagu	Pagutan Barat, Mataram
7	Ricky Barnard	Bintang Mas	Cilinaya, Cakranegara
8	Tuti Suyani	Piaku	Cakranegara Barat, Cakranegara
9	Ida Royani	Afani Kriuk Renyah	Penjanggik, Mataram
10	Anggi Sagita Restisani	Bolu Pandan Rasa Nikmat	Pagesangan Timur, Mataram
11	Wahidah	Bunga Mekar	Babakan, Sandubaya
12	Hartini	Rizkyku Cake	Babakan, Sandubaya
13	Hanapi	Pesona	Babakan, Sandubaya
14	Tasip	Setia Baru	Babakan, Sandubaya
15	Rosanti	Al-Ghina	Cakranegara Selatan Baru, Nakranegara
16	Zaidi Hasbi	Zhee Drink	Babakan, Sandubaya
17	Sunarno	Berkah Rezeki	Pagesangan Timur, Mataram
18	Cahyani Intan Pratiwi	Kastovi Kitchen	Pejanggik, Mataram
19	Selamah	Martha	Babakan, Sandubaya
20	Ahmad Zahrizal	Teman Ngemin Lombok	Turida, Sandubaya
21	Hidayati	Dim's Dessert	Kekalik Jaya, Sekarbela
22	Muaini	Antika	Babakan Timur, Sandubaya

Source: Halal Center UIN Mataram

The Mataram City government actively supports halal certification for MSMEs products, organizing outreach programs and providing assistance to entrepreneurs in obtaining certification. Despite these efforts, current data indicates that only 20-25% of MSMEs products—amounting to over 700—have been halal certified (antaranews.com). While the government mandates halal certification, it is essential to evaluate its effectiveness for MSMEs. Key questions arise: Does compulsory halal labeling significantly strengthen MSMEs, or does it have a minimal impact, given that the majority of the population is Muslim? (antaranews.com)

Moreover, it is crucial to assess whether halal certification contributes to revenue growth, business sustainability, and the overall development of MSMEs. If the certification does not result in higher income, one could argue that the process merely imposes additional administrative burdens, complicating business operations for MSMEs. Nonetheless, halal certification provides substantial advantages for MSMEs entrepreneurs. It ensures that consumers have confidence in the products they purchase, knowing they comply with the regulatory standards set forth by BPJPH. This certification serves as a guarantee of adherence to proper procedures, benefiting both businesses and consumers.

2. METHODOLOGY

This study uses a qualitative approach. The data sources in this research are primary data previously collected by others and primary data obtained through observation, interviews, and documentation. Based on these criteria, the research was conducted in Mataram City, which consists of six districts, with a sample of one MSMEs from each district. The selected MSMEs are: the shrimp paste business owned by Mrs. Rahmi, located at Jl. Adi Sucipto GG Golf, North Ampenan, Ampenan District, Mataram City; Dapoer Mie Lombok, owned by Mrs. Koriq, located at Jl. Brawijaya, South Cakranegara, Cakranegara District, Mataram City; the sago chips business owned by Mrs. Wahyu Sri Handayani, located at Jl. Danau Sidendeng 2 Bumi Pagutan Permai, West Pagutan, Mataram District, Mataram City; Dim's Dessert, owned by Mrs. Hidayati, located at Jl. Panji Asmara No 1.A Kekalik Indah, Kekalik Jaya, Sekarbela District, Mataram City; Berkah Rezeki, owned by Mr. Sunarno, located at Jl. Ra. Kartini 105, East Monjok, Selaparang District, Mataram City; and Antika, owned by Mrs. Muaini, located in the Babakan Timur Selatan neighborhood, Babakan Village, Sandubaya District, Mataram City. This study examines the impact of the SEHATI (Halal Certification) program on the income growth of these MSMEs.

3. RESULTS AND DISCUSSION

3.1. Implementation of the Free Halal Certification Program (SEHATI) for Micro, Small, and Medium Enterprises (MSMEs)

a. Free Halal Certification Program (SEHATI)

In the context of Islam, the requirement for halal products is a fundamental aspect of daily life. Halal encompasses a wide range of items, including food, beverages, pharmaceuticals, cosmetics, and more.

The objectives of the SEHATI program are: (sehati.halal.go.id)

a) Increasing Business Awareness

This program is expected to motivate micro businesses and MSMEs and increase awareness of the importance of halal certification and halal labels for business products.

b) Increasing Public Awareness

This can increase awareness of the importance of consuming halal products. This can increase awareness of the importance of consuming halal products.

c) Strengthening MSMEs

Can provide support, increase halal products from MSMEs, and increase the number of MSMEs that comply with halal regulations.

d) Providing Added Value

Can provide added value and increase local and international trade competition

b. Implementation of the Free Halal Certification Programme (SEHATI) in Mataram City

Implementation is a critical aspect of any organization, as it is fundamental to achieving its goals. This principle also applies to the execution of the Free Halal Certification Program (SEHATI) in Mataram City. To maximize the benefits for halal SMEs, which is a key objective of the Mataram City government, the local administration, in collaboration with the Halal Center at UIN Mataram and the Department of Cooperatives and SMEs (Diskopumkm) and

the Department of Industry and Trade (Disperindag), has been tasked with guiding and supporting SMEs following the enactment of Law No. 33 of 2014 on mandatory halal certification.

To implement the SEHATI program, the local government, with assistance from the Halal Center at UIN Mataram, has undertaken several implementation efforts in Mataram City. The following steps have been identified based on field observations:

1) Communication

Communication plays a crucial role in determining the success of policy implementation. Effective communication of public policies related to free halal certification is essential to garner support and commitment from relevant stakeholders (Widodo, 2010, p. 97).

Figure 1.1 Documentation from The UIN Mataram Halal Center Institution's Social Media



Source: Screenshot of UIN Mataram Website

2) Resources

Resources are essential for the effective implementation of halal certification policies, particularly for small and medium-sized enterprises (SMEs) in Mataram City. Human resources, with their expertise in halal certification, are a critical component in this process. Adequate and competent staff, along with information on implementation procedures, authority, and facilities, are fundamental to ensuring the successful execution of halal certification. Proper training and professional development are necessary to enhance the knowledge, skills, and performance of employees, thereby increasing overall satisfaction and productivity (Widodo, 2010, p. 98).

3) Disposition

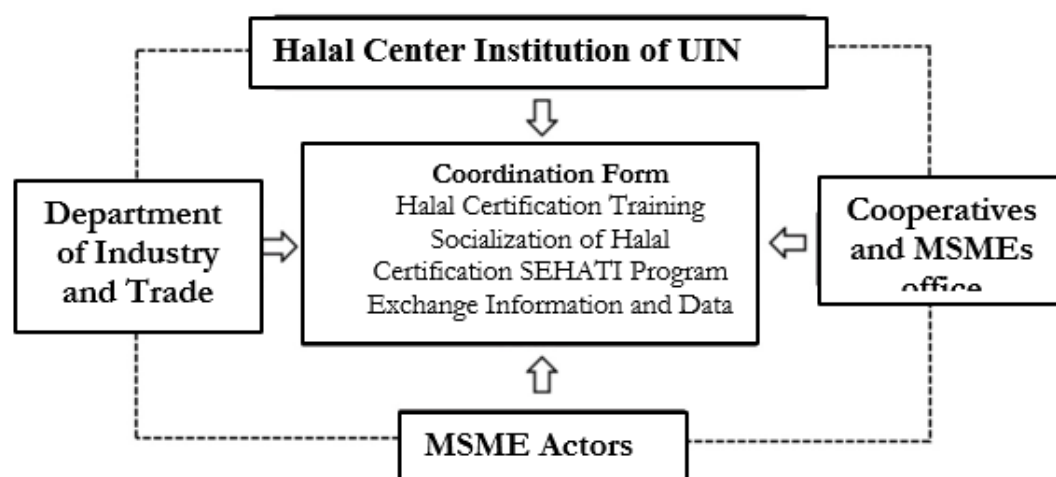
Implementing attitudes pertain to the compliance and effectiveness of public policy execution by designated authorities (Widodo, 2010, p. 102). In Kota Mataram, this compliance is evidenced by the dedication of various government agencies to support MSMEs in meeting their needs, particularly in relation to halal certification. This is manifested through the establishment of departmental offices staffed by personnel committed to providing services to MSMEs actors.

4) Bureaucratic or Organizational Structure

The organizational structure in this context refers to the collaboration, coordination, and procedures or work processes that are crucial for the effectiveness of policy implementation (Widodo, 2010:103) concerning free halal certification for MSMEs in Kota Mataram. In Kota Mataram, various government agencies or MSMEs departments have coordinated with each other, including the Halal Center at UIN Mataram, the Ministry of Religious Affairs (Kemenag), the Department of Industry and Trade (DISPERINDAG), and the Cooperative and MSMEs Department (diskopumkm).

The coordination involved in implementing free halal certification for MSMEs in Kota Mataram is outlined as follows:

Figure 1.2 Coordination Pattern for Implementation of Free Halal Certification Program



3.2. Impact Analysis of the Increase in MSMEs Income Post-SEHATI Program

Based on data analysis, MSMEs are currently experiencing growth due to changes in societal lifestyles. The emergence of businesses in the culinary sector reflects the advancement of the global economy. Income, in this context, is defined as the revenue generated from selling production factors to the production sector. The price of these production factors is determined by the interaction between supply and demand. Income represents the funds received by businesses from consumers in exchange for goods and services. Profit or financial gain is the total revenue received by the business owner after deducting production costs (Sadono, 2006, p. 76).

The presence of businesses operating in the culinary sector is part of the progress of global economic development. Currently, business competition is very tight in businesses operating in the culinary sector. This is due to the rapid development of business in businesses operating in the culinary sector in various cities, including the city of Mataram itself. Every business owner must have a strategy, because a strategy is a long-term plan carried out by business owners to achieve goals by paying attention to the business environment both internally and externally to obtain increased income and develop their business.

Various strategies have been carried out including by labeling products produced by MSME business actors. This is done in order to capture and attract the attention of customers and to keep up with the intense competition in the business world. In order to achieve an increase in income for MSME actors. In order to satisfy customers to get customer loyalty, as well as reorders.

The data analysis obtained, namely:

a) Marketing Reach

Based on the results of the research, the halal certification of MSME products in Mataram City can be accepted by the public in the market. Especially in markets that have a population of consumers who pay attention to the halalness of the product. Consumers who prioritize halal in their daily lives, such as Muslim consumers, tend to look for products that have halal certification. In addition, halal certification can increase consumer confidence, through a halal certificate that the product has passed a rigorous testing and verification process to ensure that the ingredients used are halal and in accordance with the halal standards set. For example, in ready-to-eat food products, it has been confirmed that the product and how it is managed have been proven and have halal standards which have been proven by the halal certification and halal logo printed on the packaging.

This is in accordance with the halal product regulation of Law No. 33 of 2014 described by Wajidi and Dianan Susanti, namely, providing reciprocal benefits in trading halal products to get the opportunity to enter the halal market. Apart from being able to enter the conventional market, halal-certified products also have the opportunity to enter the growing global halal market. (Wajidi et al, 2002: 25)

Halal certification is also compliance with local regulations where businesses understand and comply with existing regulations and rules. The halal certification obligation will end on October 17, 2024. Based on the law, there are three groups of products that must be halal certified along with the end of the first phase. first food and beverage products. Second, raw materials, food additives, and auxiliary materials for food and beverage products. Third, slaughter products and slaughter services..

b) Benefits of halal certification

Based on the presentation of the results of research conducted through interviews with informants regarding the benefits of halal certification for MSMEs. In this study, it was found that there are many benefits that are felt both for consumers and business actors. As for some of the benefits felt for MSME business actors in Mataram City, namely:

a. Expanded marketing reach

The benefits of halal certification, MSME products that have been halal certified are prioritized for distribution to large stores such as NTB Mall, Ruby and other stores. because large stores have standards in sales. An example can be seen from Mr. Efendi's shrimp paste product after the product is halal certified and has a halal label, this product can be entrusted to large shops, supermarkets and minimarkets.

b. Business development

For business actors, the benefits in the business environment, halal certification can help business actors in developing and maintaining businesses in the long.

c. Increase consumer confidence

For business actors, the benefits felt by this halal certification can increase consumer confidence in consuming the products sold. Because with halal certification and halal labeling the product has been truly tested for halalness and can be ensured that it is safe for consumption by the public.

d. Competitiveness

The benefits felt in market competition, having halal certification is an important advantage that can distinguish MSE products from similar products that have not been halal certified. This can also be seen from product packaging that has included a halal label.

e. Can provide clear information

For MSE actors, the benefits felt by halal certification are that it can provide transparency about the production process and the manufacturing materials used, can provide clear information to consumers regarding the halalness of the product so that consumers are sure to consume the products being traded.

c) Halal Certification Can Increase Sales of MSME Products in Mataram City

For MSE actors, the benefits felt by halal certification are that it can provide transparency about the production process and the manufacturing materials used, can provide clear information to consumers regarding the halalness of products so that consumers are sure to consume the products being traded.

In this study, it was found that MSE products that have been halal certified have increased sales for packaged products and have an expiration period if the products are targeted at markets that pay attention to compliance with halal principles, such as minimarkets, supermarkets or large stores that require products that are deposited to have a halal label. This halal certification can provide confidence to Muslim consumers, who may choose products that have been tested for halalness. For example, in ready-to-eat food products at the Sago Tempe Chips MSME owned by Mrs. Wahyu Sri Handayani, which before using halal certification per month could produce only 1000 pics but after using halal certification can produce 2000 pics and even more per month.

This is in accordance with Tulus Abadi's theory that the halal certification process is proven to trigger added value for food products and plays an important role in increasing market share in both domestic and international markets. (Tulus, 2021:)

d) Halal Certification as a Revenue Enhancement

In the research conducted, it can be concluded that there is halal certification in increasing the income of MSMEs in Mataram City. It refers to the definition of income that income is the amount of real income of all family members contributed to meet joint or individual needs. Income is part of the sustainability of a business, with the income owned, it can be seen the amount of profit generated.

The following is the data obtained through field research related to the amount of income obtained by MSMEs per month before and after the existence of halal certification in increasing income.

Table 1.2 MSME Income Data

NO	Business Owner's Name	Revenue Prior to Halal Certification	Revenue Subsequent to Halal Certification	Revenue Growth
1	Fatmala Rizki/Efendi	Rp. 3.000.000	Rp. 8.000.000	70%
2	Siti Qoriq	Rp. 4.500.000	Rp. 7.000.000	50%
3	Wahyu Sri Andayani	Rp. 3.000.000	Rp.10.000.000	60%
4	Hidayati	Rp.2.000.000	Rp. 5.000.000	60%
5	Sunarno	Rp. 2.000.000	Rp. 6.000.000	70%
6	Muaini	Rp. 4,000,000	Rp.10.000.000	80%

Source: Researcher's Interview

Based on the table above, it can be seen that the income of MSME business actors before having halal certification and after having halal certification, it can be seen that many of the MSME business actors have experienced an increase in income that is felt by MSME business actors. Halal certification in increasing income where when consumers are satisfied with the needs they want, consumers will trust and subscribe to the products we sell. Apart from being satisfied with the product, the product is also guaranteed halal. Because the existence of free halal certification for MSME players in Mataram City has a positive impact on MSME business actors in Mataram City.

4. CONCLUSION

Based on the results of research regarding the Influence of Competency and Spiritual Intelligence on the Performance of Bank NTB Syariah Head Office Employees, it can be concluded that based on the partial test results on the variables Competence and Spiritual Intelligence have a partial and significant effect on the Performance of Bank NTB Syariah Head Office Employees. In other words, H1 and H2 are accepted. In addition, based on the results of simultaneous tests on the Competence and Spiritual Intelligence variables, they simultaneously and significantly influence the performance of Bank NTB Syariah Udayana Mataram employees. In other words, H3 is accepted, there is good spiritual competence and intelligence in PT employees. Bank NTB Syariah reflects quality performance for customers and the Company, so that it can increase customer trust and strengthen PT. Bank NTB Syariah as a financial institution.

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