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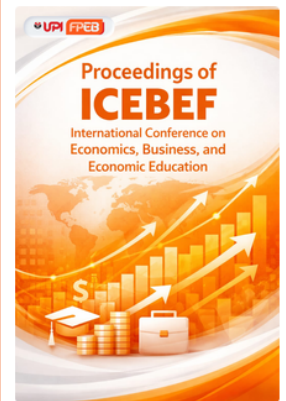
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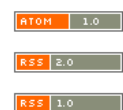
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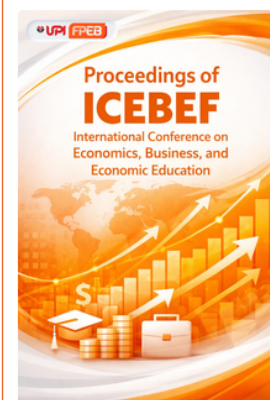
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ANALYSIS OF THE FIRST-PHASE IMPLEMENTATION OF MANDATORY HALAL CERTIFICATION FOR MICRO AND SMALL ENTERPRISES IN INDONESIA: A SYSTEMATIC LITERATURE REVIEW (2019–2025)

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ABSTRACT

This study analyzes the implementation of the first phase of mandatory halal certification for Micro and Small Enterprises (MSEs) in Indonesia, which applies to food and beverage products and their related materials during the period from October 17, 2019, to October 17, 2024. Against the backdrop of a significant gap between the national target of 10 million certified MSEs products and the actual achievement of approximately 1.2 million products by December 2023, this research adopts a qualitative approach through a Systematic Literature Review (SLR). The analysis identifies three main themes: (1) institutional capacity (inter-agency coordination, availability of halal auditors, service infrastructure, and regulatory effectiveness), (2) MSE compliance and participation (halal literacy, access to certification financing, and support from halal facilitators/LP3H), and (3) synergy within the halal economic ecosystem (linkages between certification and domestic/export market opportunities). The findings highlight that institutional capacity and regional disparities remain the main obstacles, revealing a paradox between progressive policies (digitalization, self-declaration, and free/subsidized programs) and uneven local readiness and digital literacy among MSEs. Drawing on policy implementation theory and institutional capacity theory, the study explains the relationship between policy communication, resources, implementer disposition, and bureaucratic structure in determining MSE compliance levels. The recommendations emphasize strengthening BPJPH and regional institutional capacities, promoting community-based halal literacy programs, and developing inclusive digital facilitation mechanisms. This study contributes to the latest thematic mapping, enhances the dialogue between theory and policy, and proposes an agenda for future post-2024 research on Indonesia's halal certification policy.

Key words: Halal certification; Micro and Small Enterprises; self-declaration; Halal economy; Halal literacy; Halal value chain

INTRODUCTION

The halal certification policy in Indonesia entered a new phase after the enactment of Law Number 33 of 2014 concerning Halal Product Assurance (JPH), which was then followed by Government Regulation Number 39 of 2021 and Government Regulation Number 42 of 2024. These regulations stipulate that all products circulating in Indonesia must be halal certified in stages, with the first stage being applied to food and beverage products and their supporting ingredients from October 17, 2019, to October 17, 2024. Specifically for Micro and Small Enterprises (MSEs), the halal certification process is facilitated through a self-declaration scheme as stipulated in the Minister of Religious Affairs Regulation Number 20 of 2021. Under this scheme, MSEs can declare the halal status of their products based on assistance from Halal Product Process Facilitators (PPH) without having to undergo complex laboratory tests. This program was launched through the SEHATI (Free Halal Certification) scheme aimed at accelerating MSE halal certification throughout Indonesia. Despite the implementation of regulations and facilitation, there is a significant gap between national targets and actual achievements. The government's target is to achieve 10 million halal-certified products by 2024, but according to the 2023 Annual Accountability Report of the Indonesian Food and Agriculture Authority (BPJPH), only approximately 1.1 million certificates and 3.49 million products have been certified (BPJPH, 2023). This shows that there are problems with institutional capacity, MSE participation, and the readiness of the digital ecosystem. This study seeks to examine the execution of the initial phase of compulsory halal certification for MSEs in Indonesia, concentrating on (1) institutional capacity, (2) MSE compliance and engagement, and (3) synergy within the national halal economic ecosystem.

This study uses a Systematic Literature Review (SLR) approach with reference to the PRISMA 2020 guidelines but not in their entirety, resulting in a thematic synthesis that integrates policy implementation theory (Edwards, 1980; Grindle, 1980) with the empirical reality of halal certification policy implementation in Indonesia.

METHOD

This study used the Systematic Literature Review (SLR) method. The selection of this method was based on the research objective to examine in-depth the dynamics of public policy and the effectiveness of its implementation based on the latest scientific literature sources. According to Snyder (2019), SLR allows researchers to gain a comprehensive understanding of a phenomenon by assessing and synthesizing the results of previous research through systematic and transparent procedures. Literature sources were taken from Google Scholar, and the official website of BPJPH, as well as the Ministry of Religious Affairs and Antara News. Keywords used: "halal certification," "self-declare," "UMK," "BPJPH," "halal policy lamentation," and "period 2019–2025." Inclusion criteria included publications from 2019–2025 that focused on halal certification of MSE food and beverage products and discussed implementation, mentoring, or self-declared policies. Articles without an Indonesian context or without an explicit methodology were excluded. The selection process had four steps: (1) Identification (87 articles were found), (2) Screening (45 articles were still relevant), (3) Eligibility (23 articles met the eligibility criteria), and (4) Inclusion (15 articles were used for the final analysis). The data were analyzed thematically, resulting in three primary categories: (1) Institutional capacity and halal certification infrastructure, (2) MSE compliance and participation in the certification process, and (3) Halal ecosystem and economic implications. The synthesis results were then linked to public policy theory by Edwards (1980), which highlights four main variables (communication, resources, disposition, and bureaucratic structure), and Grindle (1980) on the content and context of policy implementation. This criteria approach follows the methodological standards recommended by Petticrew and Roberts (2006) to enhance the internal and external validity of the study results. This process follows the principles of reflective qualitative analysis as explained by Nowell et al. (2017), which emphasizes the importance of transparency and consistency in reporting thematic results.

RESULTS AND DISCUSSION

Institutional Capacity and Certification Infrastructure.

Most literature confirms that the institutional capacity of the Halal Certification Authority (BPJPH) and coordination between agencies (BPJPH, MUI, LP3H, and PPH) are determining factors in the smooth implementation of the policy (Aurahma, 2024; BPJPH, 2023). Although Government Regulation No. 42/2024 has expanded regional authority in managing halal services, the availability of halal auditors and PPH assistants remains limited—particularly outside Java. Through its 2023 Annual Accountability Report, BPJPH noted that disparities in service access persist between provinces, particularly in Eastern Indonesia. This weakness points to problems with two of Edwards' (1980) variables: resources and bureaucratic structure. Furthermore, the digitalization of the SIHALAL system, while innovative, remains suboptimal because many MSEs lack adequate digital literacy (Amelia, 2024; Haning Santika, 2024). Dependence on internet connectivity and technical limitations hinder the independent registration process.

MSE Compliance and Participation.

Field research (Haning Santika, 2024; Rahmawati & Handayani, 2025; Pardiansyah et al., 2025) indicates that MSE compliance with halal certification obligations remains low. The main inhibiting factors are a lack of understanding of the halal concept, unfamiliarity with online registration procedures, limited availability of facilitators or LP3H (Regional Institutions for Supervision of Halal Certification) at the local level, and limited time and resources for MSEs. Conversely, the implementation of the SEHATI (free halal certification) program significantly increased participation, especially in areas with active assistance. For instance, in the Banyumas and Baratajaya Regencies, participation rates rose by 40–60% following scheduled assistance (Amelia, 2024; Rahmawati & Handayani, 2025). According to Grindle's (1980) theoretical framework, MSE participation is shaped by two contexts: the policy content (incentives and facilitation of self-declaration) and the implementation context (accessibility of local resources).

Synergy of the National Halal Ecosystem.

Research by the Indonesian House of Representatives (DPR RI) (2024) and Antara News (2024) shows that halal certification is not merely a regulatory instrument but rather an integral part of the national halal economic ecosystem that supports the growth of MSMEs, halal tourism, and food and beverage exports. However, cross-sector synergy (BPJPH, KNEKS, the Ministry of Trade, and local governments) remains weak. The imbalance between progressive central policies (digitalization, subsidies, self-declaration) and low regional readiness creates a policy paradox. Theoretically, this reflects the policy communication gap and structural inertia as explained by Edwards (1980).

Table 1. Mapping of halal context variables according to Edwards (1980)

Variables	Translation in the field	Measurable indicators
Communication	Clarity, consistency, and reach of the socialization of regulations (UU JPH, PP, PMA, SEHATI, SIHALAL, self-declaration criteria) to local governments, LP3H/PPH, and MSE actors.	# of standard socialization materials; # of training/FGDs; campaign reach (exposed MSEs); consistency of central-regional messages; level of MSE understanding (halal/digital literacy score)
Resources	Availability of human resources (halal auditors, PPH), budget (facilitation/SEHATI), facilities (helpdesk, internet network, SIHALAL devices), data (monitoring dashboard)	Ratio of auditors/PPH per 1,000 MSEs; budget allocation and absorption; service availability ratio (district/city with helpdesk); SIHALAL uptime; speed of SLA issuance
Dispositions	Attitude/commitment of local implementers (local government, agencies, regional BPJPH, LP3H) and key actors (local MUI, MSME association);	Attendance & follow-up of coordination meetings; number of local initiatives (halal clinics, outreach); priority level in the RKPD; officer incentives
Bureaucratic Structure	Process design, SOP, cross-institutional coordination (BPJPH–MUI–LPH–LP3H–Pemda), system interoperability	Number of stages & time, overlapping authority, presence/absence of MoU & coordination forum, integration of SIHALAL with OSS/Disdag, and proportion of files returned due to incorrect procedures

(Source: Analysis Results)

Table 2. Mapping of the halal context according to Grindle (1980)

Dimensions	Practical meaning	Indicator/context
Content of policy	Ease of self-declaration, free/subsidy (SEHATI), MSE criteria & product risks, time targets, sanctions	MSE “transaction costs” (time, documents); proportion of MSEs that meet self-declaration criteria; clarity of technical instructions
Context of implementation	Variation in regional capacity (human resources, budget), network strength (regional BPJPH–regional government–MUI–association), socio-economic & digital (literacy, connectivity)	Regional capacity index, MSE density, urbanization rate, internet penetration, history of cross-institutional collaboration, local political support

(Source: Analysis Results)

The SLR results from 15 studies show three main patterns: (1) Strong policy progress at the national level, but hampered by the capacity of regional implementers; (2) Facilitation programs (SEHATI, self-declare) are effective in increasing halal literacy, but their sustainability depends on the intensity of mentoring; (3) Digital and geographic gaps are the main challenges towards national targets. The halal policy in Indonesia shows a policy paradox between the intention to accelerate halal inclusion and the reality on the ground that faces institutional and literacy disparities.

CONCLUSION

This systematic review concludes that the implementation of the first phase of mandatory halal certification (2019–2024) has progressed significantly normatively but has not been optimal substantively. The institutional capacity of BPJPH and regional governments is a key determinant of successful implementation. MSE participation has increased through the self-declare and SEHATI programs but is still limited by digital literacy and the availability of facilitators. The national halal ecosystem continues to develop, but its synergy is not yet fully effective across all regions. Theoretically, this study confirms the relevance of the Edwards policy implementation model (communication, resources, disposition, bureaucratic structure) and Grindle (policy context and implementers) in explaining variations in success across regions. The necessary policy recommendations are (1) strengthening the institutional capacity of regional governments and BPJPH through training and redistribution of halal auditors. (2) Integration of digital systems with MSE service platforms (OSS, SIHALAL, and LP3H). (3) Community-based halal literacy programs to increase awareness and compliance of business actors. Further research post-2024 is needed to evaluate the economic impact of halal certification on exports and the resilience of Indonesia's halal industry.

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