

THE COMPREHENSION OF HALAL CERTIFICATION FOR LEATHERCRAFT INDUSTRY IN THE LOCAL BUSINESS

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Abstract

The Halal Product Guarantee Act states that all products circulated and traded in Indonesia must be halal certified, including non-food use items such as leather handicraft products. Moreover, this product is made from animal skin which has many critical points so a halal certificate is needed to guarantee the halalness of the product. Halal certificates are obtained through a certification process that must be fulfilled by producers or entrepreneur. The purpose of this study is to determine the level of understanding of producers or business actors of the leather craft industry about halal certification and to know the obstacles faced by business actors of the leather craft industry about halal certification. This research is qualitative research with a descriptive analysis method. Data collection was obtained through interview techniques with leather craft industry entrepreneurs in Sukaregang Garut. Based on the results of the study, the researcher concluded that entrepreneurs with low understanding were 20%, entrepreneurs with moderate understanding were 40%, and entrepreneurs with perfect understanding were 40%.

Keywords: Comprehension 1; Entrepreneur 2; Halal Certification 3; Leathercraft 4

Introduction

The industry is a sector that involves the utilization of skills, perseverance in work, and distribution as its core elements. In Indonesia, there is great potential for the advancement of the Halal industry. As a country with a majority of Islamic followers, Indonesia needs to enhance its free trade relations, both regionally, nationally, and globally, especially regarding products related to the Halal theme.

The Halal Product Assurance Law was introduced, establishing the Halal Product Assurance Agency (Badan Penyelenggara Jaminan Produk Halal/BPJPH) to protect Muslim consumers in Indonesia. Article 67 of the Halal Product Assurance Law states: *"The obligation of Halal certification for the transportation and trade of products within the sovereignty of Indonesia is based on Article 4 and will be effective 5 (five) years after the enactment of this Law."* Based on this

mandate, on October 17, 2019, Indonesia began implementing comprehensive halal certification procedures for all types of products regulated in the law.

To guarantee the halalness of a product for the community, especially Muslims, a document in the form of a halal certificate is needed to provide comfort, trust, and protection for consumers in using and consuming a product. A halal certificate is a document that provides recognition of product halalness. The halal certificate is issued by an authorized institution, BPJPH based on a written fatwa of the Indonesian Ulema Council (MUI). In addition to the distribution permit required for a product, a halal certificate is also an important requirement. The increasing trend of halal products makes manufacturers register their products to obtain halal certificates (Hasibuan, 2023) (Hasibuan, 2022).

Halal Certificate is important because it assures Muslim consumers that the products they consume or use have met the Halal criteria set by the Islamic religion. With this certificate, consumers can select and utilize products with the belief that they are safe and Halal to consume according to their religious beliefs and demands (Syamsudin, 2017).

In the halal certification procedure, producers or business actors need to apply to BPJPH, then the Halal Guarantee Agency (LPH) will conduct an audit and assessment of the ingredients, production procedures, processing, and packaging materials used in the product. If the halal requirements of the product are fully met, a halal certificate can be issued.

By the JPH Law, products that must be certified halal are not only food and beverage products, but also non-food products including goods for use, such as handicraft goods. One of the many handicraft products in circulation is animal skin-based/leathercraft. Considering that there are many critical points in animal-based products, the guarantee of halal in these leathercraft products is necessary.

Sukaregang leather industry center is a place the majority of craftsmen are engaged in the leather industry. This industrial center has existed since 1920 and has become part of the local family industry. Various types of leather crafts are produced in this area, including leather bags, leather shoes, belts, and wallets, as well as various other products that use cow and sheep leather. The leather craft industry involves the use of specialized equipment to process raw or imitation leather into finished products in the form of leather crafts.

It is important to know the understanding of the Sukaregang leather craft industry in Garut Regency regarding halal certification. Based on initial observations, one of the craftsmen stated that halal certification is one of the requirements for entrepreneurs to market and distribute their products and it is

to ensure product halalness. However, he stated that the products he produced did not have a halal certificate because they were used goods/crafts that did not require a halal certificate.

The comprehension of halal certification is widely researched, such research by Maisaroh (2020) stated that Muslims who are at least 17 years old already know the procedure of halal certification. Some people know that Halal Certificate is important which is obtained from the Halal Certification process. However, some claim that a halal certificate is not required (Febrian, 2021). Prahardika (2021) the results of the study found that 56.1% of the people of Merjosari Village had a good understanding of the use of halal medicines the results of the study found that 56.1% of the people of Merjosari Village, Lowokwaru District, had a good comprehension of the use of halal medicines, which means they had a good comprehension of halal certification.

The novelty of this research lies in the type of craft products made from animal skins located in the leather craft industry center Sukaregang Garut which has never been done before. Based on the background described above, the author is interested in conducting research on the Comprehension of Halal Certification by the Leather Craft Industry producers in Sukaregang, Garut. Through this research, the author hopes to contribute to the comprehension of Halal certification among industry players in Indonesia.

Methodology

This research is qualitative research with descriptive analysis to produce descriptive data or explanations about individuals and conditions observed. This research was conducted through field research in the Sukaregang Leather Craft Industry of Garut Regency. To obtain primary data, this research was conducted through direct interviews with stakeholders of the leather craft industry in the Sukaregang Leather Craft Industry area of Garut Regency. The research participants consisted of business actors involved in the industry. Qualitative descriptive data analysis was used in this study. The sampling technique used in this research is snowball sampling, which is a sampling method in that initially the number of data sources is small, gradually becoming large.

Result and Discussion

Comprehension

Comprehension is the ability to gain an understanding or interpret something after having knowledge and memory about it. Understanding something starts with knowing, understanding, and understanding it so that understanding can remember, understand and express perfectly. The ability to restate things that are known thoroughly and can be implemented accurately (Saprudin, 2022).

Comprehension is the highest level of knowledge. knowledge only knows or learns what has been learned, while understanding is not just being able to understand, but also cultivating a mindset and developing into a personality that guides people to be better (Alfiani, 2021).

According to Sudjana in Maisaroh (2021), comprehension can be divided into three categories:

- a. The lowest level of comprehension is having the ability to understand a literal translation, as in the case of a literal translation from English to Indonesian. At this level, comprehension focuses on understanding the words as well as the meaning that is translated from one language to another. translated from one language to another.
- b. The second level is conceptual comprehension, where individuals can understand the concepts contained in the information received. Conceptual comprehension links the ability to recognize and link concepts that are interrelated in a context.
- c. The highest level is abstract comprehension, where individuals can understand the information in depth and relate it with pre-existing knowledge. Comprehension abstract understanding links, the ability to apply, generalize, and develop comprehension into broader concepts.

Halal Certification

A halal certificate is an official document issued by religious authorities that verifies that a product or service complies with the criteria and standards of Islamic teachings. The organization responsible for providing halal certification in Indonesia is MUI dan BPJPH (Putra, 2022). Halal certification provides legal protection for Muslim consumers against non-halal products and enhances the market value of products for businesses. With halal certification, Muslim consumers have greater trust and confidence in purchasing those products.

Halal certification is a procedure that producers must take to obtain a halal certificate. Halal certificates are important to convince consumers that the products they use are safe and halal. A halal certificate is proof of safety and halal. To obtain a halal certificate, you need to follow strict procedures from a trusted

institution. Strict and good procedures make us believe that the products offered to consumers are guaranteed to be halal and safe for consumption (Putra, 2022). In addition, because of the certification system halal requires the introduction of a documentation system, thus enabling business actors to improve management business by applying modern management principles

According to the Halal Product Assurance Law (UU JPH), the purpose of implementing JPH is to provide ease, safety, and certainty to the community regarding the availability of halal products when they consume and use such products. Additionally, JPH can provide added value to entrepreneurs in producing and selling halal products (Syamsudin, 2017).

After the implementation of the Halal Product Assurance Law, the JPH management system in Indonesia has changed. The management system for JPH in Indonesia has changed since the enactment of the Halal Product Assurance Law. To enter, circulate, and conduct transactions within the territory of Indonesia, halal certification is required. The BPJPH, accountable to the Minister of Religious Affairs, is responsible for administering JPH.

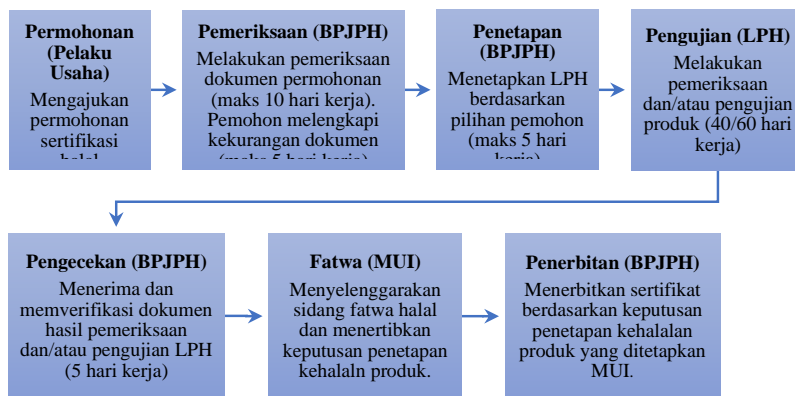


Figure. 1
Halal Certification Process Flow

Source: BPJPH

Figure 1 shows producers or business actors who want to get halal certification in Indonesia must apply for obtain halal certification in Indonesia must submit a registered application to BPJPH along with supporting documents detailing their company's operations, the name and type of their goods, a list of their products and ingredients, and the halal procedures of their goods, a list of their products and ingredients, and the procedure for their manufacture.

After the halal certification application document is complete, BPJPH can ask LPH to conduct an examination and/or testing of products submitted to

obtain a halal certificate. Inspection and assessment of product halalness are usually carried out at the location of the business or factory that is applying for halal certification. The auditors or inspection team assigned by LPH will conduct research and audit directly to the factories. LPH will conduct research and audits directly to factories or companies (Faika & Ilyas, 2021).

Sukaregang Leather Craft Industry in Garut Regency

Garut Regency is one of the regencies in West Java Province. The administrative area of Garut Regency covers an area of 307,407 hectares (3,074.07 km²) and is bordered by the following: Kabupaten Bandung and Kabupaten Sumedang to the north, Kabupaten Tasikmalaya to the east, the Indian Ocean to the south, and Kabupaten Bandung and Cianjur to the west.

The Garut Leather Craft Industry is located in Sukaregang Village, Garut Kota District. Sukaregang leather is used in various crafts such as jackets, wallets, belts, hats, bags, sandals, and shoes. Leather crafting in Sukaregang Village, Garut Regency, is an ancestral tradition that has been passed down through generations. Initially, many of them engaged in leatherwork as a side business, but now many have made it their main livelihood in Sukaregang Village, Garut Regency.

The Comprehension of Halal Certification for Leathercraft Industry

In this research, different levels of comprehension regarding halal certification were observed among the respondents. The indicators used to assess the level of comprehension were the respondents' ability to answer and express their knowledge of halal certification. The following categorization was made based on the interview results:

1. Low comprehension: Mr. Adi was unfamiliar with halal certification and had only recently heard the term.
2. Moderate comprehension: Mr. Daud and Mr. Zulfan had a general comprehension of halal certification but not comprehensive knowledge about the institution responsible for its implementation.
3. High comprehension: Ms. Rehana and Mr. Iyan, were able to answer all the researcher's questions and had plans to or had already obtained halal certification.

A total of five sources who are leather craft industry entrepreneurs from Sukaregang are the subjects of this research. Based on the conducted interviews, out of the five sources, each source has a different comprehension of halal certification. In general, for all goods intended to ensure their halal status, providing consumer confidence in consuming them, the halal certification is the

Indonesian Ulema Council Halal Certification (Sertifikasi Halal MUI). As stated by Mrs. Rehana:

"... Halal is usually associated with consumables. However, now with the halal certificate, it is also beneficial because we compete with foreign products, especially from China. China itself often uses non-halal materials, even though leather can be transformed into 'leather,' there are types of leather that Muslims cannot use, such as pigskin. With this halal certificate, it means that the government is trying to protect the products in the market, although there are still many non-halal Chinese products being sold."

The legal basis for the protection and legal guarantee of halal products for Indonesian Muslim consumers is Law No. 33 of 2014 concerning Halal Product Assurance. Goods must have halal certification to be imported, distributed, and sold in Indonesia, as stated in Article 4 of Law No. 33 of 2014. In this research, the sources are aware of the existence of regulations but cannot provide specific details about the law, as expressed by Mr. Iyan: *"I am aware of the halal certification regulation..."*

The management system of the Halal Product Assurance Agency (BPJPH) in Indonesia has changed since the enactment of the Halal Product Assurance Law. Halal certification is required for all goods entering, passing through, or trading within Indonesian territory. BPJPH, under the Ministry of Religious Affairs, is responsible for implementing the halal certification. In this research, the sources are not familiar with BPJPH; they only know about MUI, as stated by Mr. Zulfan: *"Yes, MUI."*

In this research, some entrepreneurs are already aware, understand, and have even planned to implement halal certification, such as Mr. Iyan, who mentioned: *"Yes, I have applied for it before, but it was rejected because the raw materials I use are from abroad."*

The categorization or grouping of the sources' comprehension used in this study follows Sudjana's framework, which divides comprehension into three categories:

- a. The lowest level is comprehension through translation. In this research, a low level of comprehension is indicated by the sources' inability to answer or express knowledge about halal certification. Mr. Adi falls into this category since he is not familiar with halal certification and has only recently heard the term.
- b. The second level is moderate comprehension, which involves interpreting and connecting previous knowledge with new information or linking diagram parts to events, distinguishing between essential and non-essential

elements. In this research, the moderate level of comprehension is measured by the sources' ability to state general knowledge about halal certification, although not completely such as being able to know one of the meanings, purposes, benefits, regulations, and institutions responsible for halal certification. Mr. Daud and Mr. Zulfan belong to this category since they are aware of halal certification in general and know the institution responsible for halal certification.

- c. The third and highest level is extrapolative comprehension. Through extrapolation, individuals are expected to expand their comprehension in terms of time, dimension, or issues based on recorded information. Complete comprehension is measured by the sources' ability to answer all questions which are related to understanding, urgency, regulation, objectives, benefits, institutions, and most importantly the halal certification process. In this research, Mrs. Rehana and Mr. Iyan demonstrate complete comprehension as they were able to answer all the researcher's questions and have planned or implemented halal certification.

Conclusion

The categorization of low-level comprehension is measured by the sources' inability to answer or express general knowledge about halal certification. The moderate level of comprehension is measured by the extent to which the sources can state general knowledge about halal certification, although not completely. Complete comprehension is determined by the sources' ability to answer all questions.

The researcher categorized the levels of comprehension based on the interview results as follows: a). Entrepreneurs with a low-level comprehension are not familiar with halal certification and have only recently heard the term accounted for 20%; b). Entrepreneurs with a moderate level of comprehension who have a general comprehension of halal certification such as being able to know one of the meaning, purpose, benefits, and regulations, and know the institution responsible for halal certification, accounted for 40%; c) Entrepreneurs with complete comprehension which are related to understanding, urgency, regulation, objectives, benefits, institutions, and most importantly the halal certification process and have planned or implemented halal certification, accounted for 40%.

Several obstacles faced by leather craft industry entrepreneurs in obtaining halal certification and implementing it include lack of socialization and information from the government, insufficient encouragement and support from the government, assuming that the raw materials used are inherently halal, limited time available for entrepreneurs, incomplete documentation and permits and still using raw materials whose origin is unclear.

This research has limitations on the number of sources interviewed so further research is expected to increase the number of sources to strengthen the findings.

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