

THE DEVELOPMENT OF HALAL LITERACY IN INDONESIA FROM TRADITION TO MODERNITY

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Abstract

This study explores the historical development of halal literacy in Indonesia, from traditional oral transmission by religious leaders to a modern, structured system. Halal knowledge was shared informally through religious teachings and local customs in the early stages. However, globalization and the rise of the halal economy have transformed halal literacy into a formal system. This shift is marked by establishing the Badan Penyelenggara Jaminan Produk Halal (BPJPH) and integrating digital technology into the halal certification process. The study highlights key challenges in promoting halal literacy, such as limited public awareness of halal products beyond food and restricted access to halal certification for small and medium enterprises (SMEs). Despite these challenges, Indonesia has significant potential to become a global leader in the halal market through technological innovation, enhanced education, and government support. This research aims to provide a deeper understanding of the importance of halal literacy in the daily lives of Indonesian Muslims and its role in the future development of the halal industry.

Keywords: halal literacy, tradition, modernity, history perspective

Received: Dec 19nd, 2024; Revised: Feb 26th, 2025; Accepted: March 27nd, 2025

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Introduction

Halal literacy refers to the ability of individuals to understand and apply halal principles in their everyday lives, including when selecting products and services. In Indonesia, which has the largest Muslim population in the world, halal literacy is of significant importance. The growth of halal literacy is deeply rooted in the rich and diverse historical and cultural context of Indonesian society. Since ancient times, the Indonesian people have possessed a foundational understanding of halal and haram, influenced by the Islamic teachings that arrived in the archipelago. In community traditions, the concept of halal is frequently applied across various aspects of life, such as in food, beverages, and business practices. During the pre-independence era, halal literacy was primarily traditional and localized, with knowledge transmitted orally. Ulama played a crucial role in disseminating the understanding of halal through religious studies and various educational materials. In certain areas, communities have established informal halal certification systems based on local wisdom and prevailing religious norms.

Along with the development of the era and globalization, halal literacy in Indonesia has begun to experience significant changes (Islam et al., 2023). The modern era brings new challenges, including increasing the flow of information and products from abroad. To face this challenge, a more formal system is needed to manage halal literacy. The establishment of the Halal Product Guarantee Agency (BPJPH) in 2017 is a strategic step by the government to increase halal literacy. BPJPH is tasked with supervising, certifying, and educating the public about halal products. This signifies a shift from a traditional approach to a more systematic and data-based approach.

Technology and social media advances have also had a significant impact on halal literacy (Aisya & Najmi, 2023). Information about halal products is now more easily accessible, so people can gain knowledge about products that comply with Sharia principles more quickly. Social media platforms effectively disseminate information and build awareness about the importance of halal literacy among the younger generation. The development of halal literacy in Indonesia is a long and continuous process. From its beginnings, halal literacy has been based on tradition and has transformed into a more modern and structured system. The role of the government, clerics, and society in increasing halal literacy is significant in ensuring that products and services circulating in the community comply with Sharia principles. In the future, halal literacy in Indonesia is expected to continue to develop in line with social, economic, and technological changes.

The concept of halal in Islam is regulated in the Al-Qur'an and Hadith. In the Qur'an, Allah SWT says:

Surah Al-Baqarah (2:173): *"Indeed, Allah has only forbidden you carrion, blood, pork, and animals slaughtered using names other than Allah."*

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Surah Al-Maidah (5:88): "*And eat of the good provisions We have provided for you, and give thanks for Allah's blessings if it is Him that you worship.*"

These verses emphasize the importance of choosing halal food and products, as well as being grateful for the blessings given by Allah. The concept of halal is not only related to food but also extends to various aspects of life, including finance, business, and social ethics (Amini et al., 2022). According to data from the Badan Penyelenggara Jaminan Produk Halal (BPJPH), the number of halal certifications in Indonesia has continued to increase in recent years. In 2021, more than 7 million products had been halal certified, compared to only 1,000 products in 2016 (Supandi et al., 2021). This shows an increase in public awareness of the importance of halal literacy. A survey by MarkPlus Insight in 2022 showed that 80% of Indonesian Muslims consider it essential to know the halal status of their products. However, only 45% feel they understand the concept of halal and how to check it (Fathoni, 2022).

This study aims to analyze and understand the development of halal literacy in Indonesia from a historical perspective, highlighting the transformation from a traditional oral and local approach to a more structured modern system. This article discusses the role of scholars (ulama), local customs, and formal policies in the evolution of the halal concept in Indonesia (Mubarok & Imam, 2020), providing a deeper understanding of the dynamics of halal literacy over time. This study is expected to significantly contribute to understanding halal literacy development in Indonesia (Widiastuti et al., 2020) by achieving these objectives. Furthermore, it can serve as an essential reference in addressing the low level of halal literacy in society and offer broader insights into the urgency of the halal concept in the daily lives of Muslims.

Methods

The methodology consists of several systematic steps to ensure this research is comprehensive and accurate. This study uses a qualitative approach to understand the phenomenon of halal literacy from a historical perspective (Riwajanti et al., 2020). This approach allows researchers to explore the meaning, values, and contexts related to halal literacy in Indonesia. Data sources used in this study include: 1) Primary Data: Includes interviews with experts, religious figures, and halal industry players who deeply understand halal literacy and the development of its practices in Indonesia (Wartoyo, Ayus Ahmad Yusuf, 2023). These interviews were conducted in a semi-structured manner to obtain in-depth and relevant information. 2) Secondary Data: Using literature studies that include books, journal articles, government reports, and related documents (Mustun, 2021) that discuss halal literacy, the concept of halal in the Qur'an, and statistics on halal certification in Indonesia. These sources are taken from trusted publications and are relevant to the research topic.

Data collection techniques used in this study include: 1) Literature Study: review existing literature on halal literacy and halal principles in Islam. This includes analysis of relevant verses of the Qur'an and books and articles that discuss the history and development of halal literacy in Indonesia. 2) Statistical Data Analysis: Collecting and analyzing statistical data from the Badan Penyelenggara Jaminan Produk Halal (BPJPH) and surveys conducted by research institutions to understand the trends and developments of halal literacy in Indonesia. Data analysis in this study uses a thematic approach, where researchers identify and analyze themes that emerge from the collected data (Lochmiller, 2021).

Result And Discussion

This study produced several key findings regarding the development of halal literacy in Indonesia from a historical perspective and the study of the Qur'an. The following are the results obtained:

Traditional Understanding of Halal

In the early stages of halal literacy development in Indonesia, communities relied on knowledge passed down orally through traditions and the teachings of scholars. Halal practices in many communities are determined by local wisdom, which often varies between regions. For example, in Aceh, there is a stricter application of Sharia than in some other regions, reflecting the influence of local culture and interpretation of the concept of halal (Rani et al., 2020). Islamic study groups, lectures, and education in Islamic boarding schools became the primary means of conveying knowledge about halal. Through these methods, the teachings of the Qur'an relating to halal and haram began to be internalized in society. This is reflected in the tradition that upholds religious values and ethics in consumption, referring to Surah Al-Baqarah (2:173) and Surah Al-Maidah (5:88) as the basis for choosing food and products that are by Sharia (Kashim et al., 2015). The Qur'an shows that the principle of halal has a strong foundation in Islamic teachings. As in the word of Allah:

Surah Al-Baqarah (2:173) States the limits of haram food, namely carrion, blood, pork, and animals slaughtered, without mentioning Allah's name. This verse is a guide for Muslims in choosing food. Surah Al-Maidah (5:88): Emphasizes the importance of consuming sound sustenance and being grateful to Allah, which reflects that halal is not just a status but also includes quality and ethics in consumption. These verses show that halal literacy in the context of Islam is not only related to knowledge (Zada, 2023), but also to the ethical and moral dimensions of daily life. The Qur'an highlights the importance of being aware and responsible when selecting food products.

Development Towards Modernity

In the early days, the concept of halal was primarily conveyed through informal means, including family discussions, Islamic boarding schools, and local Muslim communities. Public awareness of halal mainly revolved around food and drinks, primarily referencing Islamic jurisprudence as explained by scholars. At this stage, halal knowledge did not encompass the industrial aspect or international standards. It was not until the late 20th century that local religious organizations, such as the Indonesian Ulema Council (MUI), began to take on a vital role in issuing fatwas concerning the halal status of various products. In 1989, MUI established the Food, Drug, and Cosmetics Assessment Institute (LPPOM MUI) as the official institution to handle halal certification in Indonesia (Rachman & Khokhar, 2023).

As global awareness of halal consumption grows and the halal industry expands worldwide, Indonesia is enhancing the standardization of internationally recognized halal certification. The enactment of Law No. 33 of 2014 on Halal Product Assurance (JPH) marks a significant step in advancing halal literacy in Indonesia (Fathoni, 2022). Through this law, the government established the Halal Product Guarantee Organizing Agency (BPJPH) in 2017, tasked with managing halal certification and collaborating with the MUI on halal fatwas issuer.

The advancement of digital technology is significantly enhancing halal literacy in Indonesia through various online platforms. Businesses can now access halal certification services online, streamlining the certification process and eliminating lengthy manual procedures. Furthermore, applications and websites like Halal MUI and HalalHub are pivotal in raising public awareness of Sharia-compliant products. Additionally, the use of blockchain technology in Indonesia's halal supply chain is enhancing transparency and accountability regarding products, from their raw material sources to the end consumers. These technological advancements are bolstering consumer confidence in halal products consume.

As Indonesia strives to enhance halal literacy, it encounters multiple hurdles in building a competitive halal industry on the global stage. Despite being the world's largest consumer of halal products, Indonesia's export capabilities remain behind those of countries like Malaysia, Thailand, and the United Arab Emirates. The Global Islamic Economy Indicator report (2022-2023) places Malaysia at the top of the halal economy sector, with Indonesia in fourth place (Mujahidin, 2020). To tackle this challenge, the Indonesian government collaborates with the private sector to boost the halal industry's competitiveness by enhancing regulations, streamlining certification processes, and investing in human resource development. Moreover, there is a growing emphasis on integrating the halal concept with sustainability in contemporary practices market.

Here are some important data related to the development of the halal industry in Indonesia that contribute to halal literacy:

- a. Number of Halal Certified Products: In 2021, more than 305,000 products have received halal certification from BPJPH and MUI, showing a significant increase compared to previous years.
- b. Halal Tourism Industry: Indonesia ranks 4th in the Global Muslim Travel Index 2023, reflecting significant developments in the Muslim-friendly tourism sector.
- c. Halal Product Exports: In 2021, the export value of halal products from Indonesia reached USD 11.2 billion, with the food, beverage, and fashion sectors being the main contributors.
- d. Domestic Market Potential: Indonesia's halal market is expected to reach USD 218.8 billion by 2025, with growth driven by the food, cosmetics and pharmaceutical sectors.

Challenges in Halal Literacy

- a. In Indonesia, the growth of halal literacy has been swift, particularly following the enactment of the Halal Product Assurance Law (UU JPH) and backing from various sectors. Yet, this progress faces substantial hurdles that impede the full realization of halal literacy within communities and industries. These obstacles include regulations, public education, technology, and international competition. This section will examine these challenges, supported by pertinent evidence references.
- b. Lack of Public Understanding of the Halal Concept
Despite being a Muslim-majority country, Indonesia struggles with public knowledge about halal, particularly beyond food. Many consumers link halal solely with food and drinks, overlooking its relevance to cosmetics, pharmaceuticals, services, and financial products. A 2021 survey by the Halal Product Guarantee Agency (BPJPH) revealed that over 35% of Indonesians are unaware that non-food items, like cosmetics and pharmaceuticals, also need halal certification. Increased education is essential to help the public comprehend the complete halal concept and the halal status of the products they use day.
- c. Limited Access to Halal Certification for MSMEs
The Micro, Small, and Medium Enterprises (MSMEs) sector significantly contributes to the national economy in Indonesia. However, many MSMEs face challenges in securing halal certification. The certification process is frequently viewed as complex, lengthy, and costly, particularly for MSMEs in rural regions or distant from service centers (Abadi et al., 2022). According to data from the Ministry of Cooperatives and SMEs, in 2022, only about 15% of the total 64 million MSMEs in Indonesia held halal certification. This indicates that many business actors still have not been able to meet certification standards, either due to limited funds or a lack of information regarding the necessary procedures followed.

d. Infrastructure and Technology Constraints

The application of technology in the halal certification process, such as online services and digitalization of the halal supply chain, has indeed begun to be implemented. However, technological and infrastructure challenges are still significant obstacles, especially in remote areas. Digitalization designed to accelerate and facilitate access to halal certification is still uneven due to limited internet and technology access in several regions in Indonesia. A study by the World Bank in 2021 showed that around 42% of rural areas in Indonesia still experience limited stable internet access. This condition hampers efforts to digitize halal certification services initiated by the government through BPJPH and MUI, so business actors in remote areas have difficulty accessing these services.

e. Global Market Competition Challenges

As the world's largest consumer of halal products, Indonesia faces challenges in developing competitive halal offerings for the international market. Other countries, such as Malaysia and Thailand, have made significant progress in standardizing halal products and promoting their global halal brands. According to the State of Global Islamic Economy (2022-2023) report, Malaysia ranks first in developing the global halal industry, while Indonesia is placed fourth. This indicates that although Indonesia has considerable potential, the country still lags in several areas, including product quality, branding, and the supportive infrastructure needed for halal product exports.

f. Lack of Regulatory Harmonization

In Indonesia, halal product assurance regulations are frequently perceived as overlapping and unsynchronized among the relevant institutions. For instance, the dual role of the Halal Product Assurance Organizing Agency (BPJPH), which oversees certification, and the Indonesian Ulema Council (MUI), responsible for issuing fatwas, often confuses business operators. A 2020 study by the University of Indonesia's Institute for Research and Community Service (LPPM UI) revealed that 47% of business operators believed halal regulations remained perplexing, particularly concerning the functions of the institutions involved in halal certification. Furthermore, the lack of regulatory harmonization delays the certification process, impeding full integration into the global halal market standards.

g. Sustainability Challenges in Halal Products

While halal certification emphasizes both halal and tayyib (the goodness and safety of products), there is still limited awareness regarding the environmental impacts and sustainability of halal products. The contemporary halal industry must adhere to halal standards while also considering the sustainability of its resources and production methods. During the 2023 World

Halal Summit conference, sustainability emerged as a key topic, with expectations that halal products will not only align with Sharia principles but also meet global sustainability standards to enhance their competitiveness internationally market.

Traditional Understanding and Cultural Context

In Indonesia, halal interpretation is grounded in religious principles and significantly shaped by the local traditions and cultural circumstances prevalent within the Muslim community. The interplay of these indigenous customs and Islamic values influences how halal consumption is perceived and practiced across different regions of the country. This traditional perspective has been crucial in cultivating societal awareness before establishing contemporary halal standards and certification processes. Yet, shifts in the understanding and practice of halal have emerged with the advent of globalization and modernization. This section will explore how the cultural context molds the traditional understanding of halal and its progression toward a more formalized and standardized approach. The author organizes this understanding and its cultural backdrop into the following categories: sections:

a. Diversity of Local Traditions and Understanding of Halal

Indonesia is a country with an extensive cultural and ethnic diversity. Each region has different traditions and understandings of halal. In some traditional communities, the understanding of halal is based on Sharia rules and local customs. For example, in many rural areas, people consume food traditionally considered halal based on customs passed down from generation to generation without a formal certification process. In terms of understanding halal, the Minangkabau community in West Sumatra is strongly influenced by Islamic values that have been integrated with customs. The principle of "*adat basandi syarak, syarak basandi Kitabullah*" (Syafira & Habibi, n.d.) (custom is based on Sharia, Sharia is based on the Quran), helps them determine the halal status of food and drink. Historically, the Minangkabau people have had greater trust in local products created by their community members, often foregoing the necessity of an official halal certification.

Similar things can also be found in the Bugis-Makassar community in South Sulawesi, where halal food practices are more determined by ancestral traditions that align with Islamic teachings (Abbas, 2022). They trust food prepared in the family or community more, regardless of whether the product is halal certified.

b. Understanding Halal in the Non-Food Sector

In the traditional context, the main focus of halal literacy in Indonesian society is more around food and beverages. Understanding of halal in other sectors, such as cosmetics, pharmaceuticals, and financial services, is still minimal in traditional society. Before

modernization, non-food products were not a significant concern regarding halal because the main focus was more on what was consumed directly. Research conducted by the State Islamic University (UIN) Jakarta in 2020 showed that 70% of people in rural areas still associate halal only with food and beverages, while only 25% understand that the concept of halal also includes cosmetics, clothing, and medicines (Mahliza et al., 2020). This shows that in the traditional understanding, the concept of halal is still narrow and limited to certain aspects only.

c. The Role of Ulama and Community Leaders in Traditional Halal Literacy

In many parts of Indonesia, clerics and religious figures are central in disseminating knowledge about halal. Decisions regarding the halalness of a product are often based on local fatwas issued by local clerics or *kyai* without involving official certification standards as we know them today. In some communities, advice from local clerics about products that may be consumed or used is often more respected than formal regulations. In East Java, traditional Islamic boarding schools play an essential role in understanding halal through teaching in Islamic schools, sermons, and religious studies. Islamic boarding school clerics are also often the primary reference for the community in ensuring that the products consumed are by religious teachings, even without formal certification from institutions such as the MUI.

d. Trust in Local Products and Halal Products

A critical aspect of the traditional understanding of halal is trust in local products produced by community members. In many rural communities, people trust local products produced by neighbors or relatives more because they understand the manufacturing process and know it is by prevailing religious norms. This contrasts with the modern understanding, which emphasizes the importance of official halal certification for industrial products.

Data from the Ministry of Industry in 2021 showed that around 65% of rural consumers prefer food produced by local producers to mass-produced factory products, even without an official halal label (Sobari et al., 2019). This shows that interpersonal trust and belief in customary conformity are more dominant in traditional understanding than trust in formal certification institutions.

e. Transformation Towards a Modern Understanding of Halal

Along with modernization and globalization, the traditional understanding of halal has begun to change. Through Law No. 33 of 2014 concerning Halal Product Assurance (JPH), the Indonesian government has begun to enforce more formal and structured halal certification. This aims to ensure that products circulating in the community, whether food, beverages, or non-food products, comply with the halal standards set by official institutions. This more standardized halal certification presents challenges for communities that previously relied more

on traditional understanding and belief in local religious figures. To bridge this gap, the government and related institutions, such as the Halal Product Assurance Organizing Agency (BPJPH) and the Indonesian Ulema Council (MUI), continue to conduct socialization and education in various regions.

A survey conducted by BPJPH in 2022 showed that public awareness of the importance of halal certification has increased by 40% in the past five years (Ikawati & Rahman, 2022), especially among the younger generation, who are more exposed to modern products and digital information. However, in rural areas, the traditional understanding of halal remains strong, although there is a tendency to accept more modern halal concepts as education increases.

Changes Towards in the Modern Era

Halal literacy in Indonesia has undergone significant changes along with the development of the times, especially when Indonesian society entered the modern era. This modernization involves the implementation of more structured halal standards, integrating digital technology, and adapting to global trends in the halal market. Communities that used to adhere to local traditions and trust in products made by their communities are now beginning to accept formal regulations and technology as essential instruments in ensuring the halalness of products. This change affects how people view halal and changes the dynamics of the halal industry in Indonesia. The drivers of change in the modern era are as follows:

a. Formal Regulation and Halal Standardization

One of the critical milestones in the change of halal literacy in Indonesia was the enactment of Law Number 33 of 2014 concerning Halal Product Assurance (UU JPH). This regulation introduces more comprehensive halal standards and enforces the obligation of halal certification for all products circulating in Indonesia, including food, beverages, and non-food products such as cosmetics, pharmaceuticals, and clothing. Based on the report of the Halal Product Assurance Organizing Agency (BPJPH), the number of products that have been halal certified has increased rapidly since the enactment of the JPH Law. In 2021, more than 305,000 products in Indonesia have received halal certification, a significant increase compared to previous years. This reflects the increasing awareness of industry players to ensure that their products comply with the halal standards set by the government.

b. The Role of Technology in the Certification Process

The modern era cannot be separated from the development of digital technology, which has also impacted halal literacy in Indonesia. The halal certification process, which previously tended to be time-consuming and bureaucratic, is now made easier with digital-based services.

BPJPH and the Indonesian Ulema Council (MUI) have launched an online platform allowing business actors to apply for certification online, drastically shortening the time and facilitating access, especially for MSMEs. Online halal certification applications increased by 20% from 2020 to 2022 (Mellita et al., 2020). In addition, innovation in the use of blockchain to monitor the halal product supply chain has begun to be implemented in Indonesia. This technology ensures transparency and accountability at every production stage, from raw material sources to consumers. Data from the Ministry of Trade shows that the use of digital technology in the halal certification process increased by 20% in 2022 compared to 2020. This shows that the modernization of halal literacy in Indonesia is increasingly integrated with the development of digital technology.

c. Transformation of Consumer Awareness

One of the most significant changes in the modern era is the transformation of consumer awareness of halal products. Millennials and Gen Z, who are more exposed to information technology and social media, have wider access to information about halal products. They pay attention to the halal aspect of food and start to consider non-food products such as cosmetics, fashion, and halal pharmaceuticals. According to a survey conducted by the Halal Lifestyle Center in 2021, around 67% of young consumers in Indonesia (Khaliki & Pane, 2021) prefer halal products not only for religious reasons but also because they are considered healthier, safer, and better quality. The halal cosmetics market in Indonesia reached USD 6.8 billion in 2021 (Global Islamic Economy Indicator). This reflects a shift in consumption patterns from simply adhering to religious norms to a more modern and health-conscious lifestyle.

d. Increasing Halal Products in the Non-Food Sector

Modernization of halal literacy also expands the scope of halal products to non-food sectors such as cosmetics, pharmaceuticals, and fashion. The halal cosmetics industry, for example, has experienced rapid growth in recent years (Hasibuan et al., 2019). Data from the Global Islamic Economy Indicator shows that in 2021, the market value of halal cosmetics in Indonesia reached USD 6.8 billion (Sari et al., 2022), with a significant increase expected in the coming years. In the pharmaceutical sector, drug companies are also starting to pay attention to the halalness of their products, both in terms of raw materials and production processes. According to a report from the Indonesian Pharmaceutical Association, the number of pharmaceutical products that have received halal certification increased by 30% in 2022 compared to 2019 (Bahri & Ali, 2022). This shows that halal has become a new standard accepted in various industrial sectors.

e. Globalization and Halal Market Competition

Globalization is the main factor accelerating the modernization of halal literacy in Indonesia. With the increasingly connected global market, Indonesia must adapt to international halal standards to compete in the global market. Indonesia is the world's largest consumer of halal products, but in terms of production, it still lags behind other countries such as Malaysia and the United Arab Emirates. According to the Global Islamic Economy Report 2022-2023, Indonesia remains fourth in the global halal industry development, following Malaysia, Saudi Arabia, and the United Arab Emirates (Hidayat & Musari, 2022). To enhance competitiveness, the Indonesian government, via the National Committee for Sharia Economics and Finance (KNEKS), persistently motivates halal industry stakeholders to achieve global standards and boost halal exports products.

Challenges and Opportunities

Halal literacy in Indonesia faces various challenges and opportunities along with the development of the times. A society increasingly aware of the importance of halal products and the shift toward modernization provides an excellent opportunity for the halal industry to grow. However, the existing challenges cannot be ignored. In this discussion, we will identify the challenges faced and the opportunities that can be utilized in Indonesia's halal literacy context.

a. Challenges in Halal Literacy

1) Lack of Public Understanding and Awareness

Despite a growing awareness of the significance of halal products, many individuals, particularly in rural regions, still lack a comprehensive understanding of halal and its implications. A survey by the Badan Penyelenggara Jaminan Produk Halal (BPJPH) revealed that over 30% of people in these areas remain unaware that non-food items, like cosmetics and medicines, also require halal certification. Insufficient education and social outreach regarding halal literacy are significant barriers to sharing accurate information.

2) Limited Access to Halal Certification

The halal certification process for Micro, Small, and Medium Enterprises (MSMEs) is often complicated and expensive. Many MSMEs do not know the certification process or the costs required to obtain a halal certificate. According to data from the Ministry of Cooperatives and SMEs, only around 15% of Indonesia's total 64 million MSMEs have obtained halal certification in 2022 (Sakti et al., 2023). This shows that many business actors still have difficulty complying with existing halal regulations.

3) Global Competition

With the increasing interest in halal products in the global market, Indonesia must compete with other countries that have positioned themselves in the halal industry, such as Malaysia and the United Arab Emirates. Data from the Global Islamic Economy Report shows that although Indonesia is the largest consumer of halal products, Indonesia is still behind in production and exports. This challenge requires innovation and product quality improvement to attract the international market's attention.

4) Harmonization of Regulations

Inharmonious policies and regulations between government agencies and certification bodies can hinder the implementation of halal standards. There is an overlap between regulations issued by BPJPH and fatwas issued by the Indonesian Ulema Council (MUI), which often confuses business actors. Research from the University of Indonesia's Institute for Research and Community Service (LPPM UI) shows that 47% of business actors feel confused about halal certification procedures (Giyanti et al., 2020), creating market uncertainty.

b. Opportunities in Halal Literacy

1) Global Halal Market Growth

With the rapid growth of the halal market, Indonesia has an excellent opportunity to become a major player in the global halal industry. According to the State of the Global Islamic Economy report, the global halal market is expected to reach USD 4.2 trillion by 2024 (<https://www.dinarstandard.com>). Indonesia, as the country with the largest Muslim population in the world, can tap into this potential by producing and exporting high-quality halal products.

2) Innovation and Technology

Technological advances open up opportunities for business actors to increase efficiency in the halal certification process. Using digital platforms for certification applications and supply chain tracking can speed up the process and reduce costs. Technological innovations such as blockchain can also increase transparency in the halal industry, thereby strengthening consumer trust. Data from the Ministry of Industry shows that the use of technology in halal certification has increased by 20% in the past two years, providing opportunities for MSMEs to more easily obtain certification.

3) Public Awareness of Healthy Lifestyle

Increasing public awareness of health and product quality allows halal products to attract consumers (Nur et al., 2021). A survey by the Halal Lifestyle Center in 2021 showed that

67% of young consumers choose halal products because they are considered healthier and of better quality. Business actors can use this opportunity to present innovative halal products that align with healthy lifestyle trends.

4) Government Support

The Indonesian government is increasingly active in supporting the development of the halal industry through various policies and programs. With the JPH Law and efforts to improve halal certification for MSMEs, the government incentivizes business actors to improve the quality and standards of halal products (Naisabur & Putra, 2024). This is an excellent opportunity for business actors to adapt and innovate by existing regulations.

Conclusion

The development of halal literacy in Indonesia has undergone a significant transformation from a traditional approach to a more systematic and structured modern approach. Initially, the understanding of halal was local and passed down through oral traditions influenced by local wisdom and the teachings of scholars. Along with globalization and technological advances, halal literacy has developed through formal regulations such as establishing the Badan Penyelenggara Jaminan Produk Halal (BPJPH) and implementing internationally recognized halal certification. Digital technology also significantly facilitates the certification process and dissemination of information about halal products. Although there are many challenges, such as the lack of public understanding in the non-food sector and global competition, Indonesia has an excellent opportunity to develop a competitive halal industry with the support of regulations and technological innovation. To enhance halal literacy in Indonesia, several concrete steps should be taken. The government and relevant institutions must expand halal literacy campaigns through digital media, seminars, and community training while integrating halal education into formal curricula, especially in Islamic economics and entrepreneurship. The halal certification process for SMEs should be simplified through digitalization, making it more accessible and affordable, with subsidies or incentives for financially constrained businesses. Stronger coordination between BPJPH, MUI, and the government is needed to harmonize halal regulations and align them with international standards to boost the competitiveness of Indonesian halal products. Technology such as blockchain and artificial intelligence should also be leveraged to enhance transparency in the halal supply chain and facilitate public access to halal product information. The government must also encourage halal product exports by improving quality, branding, and international trade cooperation. Furthermore, the halal and *tayyib* concepts should incorporate sustainability principles, ensuring that halal products meet religious standards and environmental and social considerations.

These recommendations aim to strengthen halal literacy and develop Indonesia's globally competitive and sustainable halal industry.

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