**Fatwa, Marketing, and Halal Certification: A Socio-Legal Analysis of The Indonesian Ulama Council Fatwa Number 80 of 2022 in The Case of *Pempek* at *Pasar* 26 Ilir in Palembang**

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**ABSTRACT:** *This study examines the impact of MUI fatwa number 80 of 2022 on consumer interest in halal-certified products within Micro, Small, and Medium Enterprises (MSMEs), focusing on pempek sold at Pasar 26 Ilir in Palembang. MSMEs are vital in meeting daily necessities, and sharia law aims to promote human welfare. ~~The government, through~~ Through the Indonesian Ulema Council (MUI) and the Ministry of Religious Affairs, has introduced legislation on the halal status of food and beverages, with the Halal Product Assurance Agency (BPJPH) authorized to issue certifications under Law Number 33 of 2014. This has practical and economic implications, as MSMEs producing pempek use ingredients like flour and fish that lack halal certification. Pempek, a traditional dish from Palembang, is made from flour and mackerel fish. The research uses qualitative and sociological methods to assess how halal certification affects consumer interest in purchasing pempek. It is suggested that regulations based on fatwas and laws concerning halal product assurance may influence consumer interest in such products.*

**Keywords:** *Halal Certification, Pempek, Micro, Small, and Medium Enterprises (MSMEs), Purchase Interest, Sharia Business Law.*

1. **INTRODUCTION**

The National Sharia Council (*Dewan Syariah Nasional/DSN*) is an institution established by the Indonesian Ulama Council (MUI) that ~~functions to carry~~ carries out MUI's responsibilities in addressing issues related to the activities of sharia financial institutions. One of the primary tasks of the DSN is to study, explore, and formulate the values and principles of Islamic law (Sharia) in the form of fatwas, which serve as guidelines for transactional activities within sharia financial institutions (Hasanuddin & Shiddiq, 2022).

A fatwa is an answer (decision/opinion) provided by a mufti regarding a particular issue. The legal position of fatwas in Indonesia carries authority and plays an important role in the process of drafting and legislation. According to Article 1, Paragraph (9) of the Bank Indonesia Regulation, the National Sharia Council (DSN) is a council formed by the Indonesian Ulama Council (MUI) with the duty and authority to issue fatwas concerning products and services in banking activities that operate based on Sharia principles (Basir, 2009).

The National Sharia Council is fundamentally established as a sharia institution responsible for overseeing and supervising the operational activities of financial institutions. The term fatwa in the Arabic word means *"bayyana,"* which means to explain. Another meaning of fatwa includes advice, counsel from knowledgeable individuals, and moral teachings. A related term is "*futya,*" which refers to elucidating difficult matters concerning the law. According to the definition derived from al-Qardhawi, a fatwa is a clarification of Allah's law regarding a particular issue, serving as a response to a question, whether individual or collective (Wahyudi & Fajar, 2018).

A fatwa is an official advisory opinion issued by a legitimate authority regarding ~~the establishment of~~ establishing Islamic law. The function of a fatwa is to provide a formal reaffirmation, as it encapsulates the reiteration of opinions from experts. Fatwas arise in response to issues that lead to social developments encountered by the Muslim community, particularly regarding new developments, emerging problems, and newly arising needs that, from a legal perspective, lack clarity and established legal standing (Kamali, 2022).

In modern independent Indonesia, fatwas are not issued by an official Mufti; rather, they are issued by committees from various Islamic organizations, such as the Muhammadiyah's *Majelis Tarjih*, Nahdlatul Ulama's *Baḥtsul Masā'il*, and the Fatwa Council of the Indonesian Ulama Council (*Majelis Ulama Indonesia*, abbreviated as MUI) (Amalia, 2019). The first two committees represent modern and traditional Indonesian perspectives, while the third is generally viewed as a convergence or confederation of modern and traditional elements due to its membership, which includes representatives from both Muhammadiyah and Nahdlatul Ulama.

The MUI's fatwa committee was established in 1975 alongside the formation of the MUI itself and has issued a total of 185 fatwas on various issues, including rituals, family matters, medical ethics, social concerns, economic issues, and even political affairs. Since 1999, the MUI has formed a special committee tasked with issuing fatwas on Islamic economic (Sharia) matters, known as the National Sharia Council (DSN) (Gayo & Irawan, 2009). This initiative arose from an urgent need caused by the emergence and development of Islamic banking and other Sharia-compliant financial institutions in Indonesia since the early 1990s. A pertinent question remains: Are the fatwas issued by the DSN legally binding for multiple parties, particularly for legal experts?

The Sharia Council's fatwas are binding as they are specifically regulated by legislation, compliance with which is enforced through penalties for violations. However, this institution does not serve as a national or governmental entity authorized to issue legal products that carry binding legal force upon violators (Barlinti, 2012). This perspective is part of the broader concept of Islamic economics, which is integral to the teachings and mechanisms of Islam for its followers. Unlike traditional economics, which may be separated from religious teachings, Islamic economics is strongly-linked to Islamic doctrine, encompassing faith *(aqidah)*, law *(syariah)*, and ethics *(akhlak)*.

According to Yusuf al-Qaradhawi, Islamic economics is a crucial and fundamental aspect of the broader economic framework. Adherence to its principles is tantamount to obedience to Allah and constitutes an act of worship. Thus, ~~the implementation of~~ implementing an Islamic economic system is considered a form of worship (Abdad, 2019). Islamic economics is a manifestation of worship within the Islamic economic system, characterized by values centered on the promotion of good and the prevention of wrongdoing (*amr maʿrūf wa nahy munkar*), which entails doing what is right and refraining from what is prohibited. This can be examined through ~~the lenses of~~ divine economics, ethical economics, human-centric economics (humanity as stewards of the earth), and balanced economics (justice in both this world and the hereafter). The aim is to analyze the fatwas issued by the National Sharia Council (DSN) concerning their legal rationale and societal impact, particularly regarding various laws and governmental regulations (Chapra, 2022).

Since its establishment in 1999, the DSN has issued approximately 82 fatwas on Islamic economic issues, covering topics such as savings under *muḍārabah* and *wadī'ah* schemes, *murābahah*, *bai' al-salam*, *musyārakah*, *ijārah*, *wakālah*, *kafālah*, h*awālah*, safes, gold, *rahn*, letters of credit, Sharia credit cards, and sales transactions.(Novia, 2016) Of these, 58 fatwas specifically address issues related to Islamic banking, 10 pertain to the Sharia capital market, 6 focus on Sharia halal labeling, 3 relate to Islamic bonds, 3 concern Sharia pledges, and one addresses Sharia credit. This article will limit its examination to a selection of fatwas regarding Islamic banking, Sharia halal labeling, the Sharia capital market, and issues surrounding Sharia pledges (Hidayah, 2011).

Palembang City serves as a center for international trade. According to statistics, the population of Palembang is approximately 3,800,000, comprised of three cultural groups that have merged and assimilated with the cultures of Arabs, Chinese, Indians, and Javanese. The implications and impacts of halal labeling on the purchasing power of micro, small, and medium enterprises (MSMEs) are particularly relevant within the context of Islamic economic law. Halal-labeled products not only symbolize compliance with religious regulations but also serve as indicators of quality and safety for consumers, especially in regions with a majority Muslim population, such as South Sumatra.

Pempek, a quintessential product from Palembang, South Sumatra, possesses significant potential to leverage halal labeling to enhance competitiveness and market penetration. However, the implementation and utilization of halal labels on MSME products often face several challenges, including certification costs, a lack of awareness among business operators, and the complexity of regulations. Halal labeling refers to an integrated system that ensures that every stage of production and distribution of products adheres to Sharia standards.

In Indonesia, where ~~the majority~~ most of the population is Muslim, ~~the application of~~ applying Sharia principles in the economy is crucial for ensuring compliance and sustainability (Abidah, 2020). Given this context, halal labeling emerges as a decisive factor in consumers' purchasing decisions for desired products. Additionally, other factors influencing consumer interest, such as price, service quality, and various other aspects, significantly affect the purchasing intentions of the community (Arifin & Hatoli, 2021).

1. **METHOD**

This study employs a qualitative research design. The primary data for this research was obtained through interviews with micro, small, and medium enterprises (MSMEs) in Palembang. Secondary data was gathered from literature sources collected through in-depth interviews with business operators, direct field observations, and analysis of documents related to halal certification pertinent to this research.

The data management technique utilized descriptive analysis. The grounded theory method was applied to identify key themes and patterns within the data. This study also integrates Value chain analysis to evaluate each stage of the supply chain, as well as the application of Islamic economic law theory to assess compliance and the implementation of Sharia principles. The use of this combination of methods is expected to provide a comprehensive overview of the challenges and opportunities in the application of halal labeling.

**III. RESULT AND DISCUSSION**

**Analysis of the SDN-MUI Fatwa Product on Halal Labeling and The Socio-Legal Context of Islamic Economic Law**

The implementation of halal labeling in micro, small, and medium enterprises (MSMEs) in South Sumatra faces various challenges but also demonstrates significant potential. ~~In the agricultural sector, for~~ For example, many farmers have not fully understood or applied halal principles, necessitating training and support from certification bodies (Nugroho, 2021). In the culinary sector, despite the rising demand for halal food products, business operators encounter obstacles related to certification costs and lengthy processes.

The Muslim fashion sector in South Sumatra shows significant growth potential, with an increasing number of consumers seeking Sharia-compliant products. However, challenges regarding certification and production standards still need to be addressed to ensure compliance (Sari & Handayani, 2021). Overall, the implementation of halal labeling in MSMEs in South Sumatra indicates that while there are barriers, there are also substantial opportunities for the development of Islamic economics in the region.

This research analyzes how halal labeling affects consumer purchasing power regarding *pempek* products in South Sumatra and how this aligns with the principles of Islamic business law. Thus, it is hoped that this study can provide comprehensive insights for the development of Sharia-based business strategies for MSMEs in Indonesia, particularly in enhancing the competitiveness of halal products in the global market. ~~The importance of halal~~ Halal labeling is emphasized in the context of Islamic economic law ~~is emphasized~~, focusing on MSMEs in South Sumatra.

The Qur'an, Surah Mu'minun, verse 51:

يٰٓاَيُّهَا الرُّسُلُ كُلُوْا مِنَ الطَّيِّبٰتِ وَاعْمَلُوْا صَالِحًاۗ اِنِّيْ بِمَا تَعْمَلُوْنَ عَلِيْمٌ

*“O Messengers, eat from the good things and work righteousness. Indeed, I am Knowing of what you do.”*

The Qur’an, surah al-Baqarah, ayat 172:

يٰٓاَيُّهَا الَّذِيْنَ اٰمَنُوْا كُلُوْا مِنْ طَيِّبٰتِ مَا رَزَقْنٰكُمْ وَاشْكُرُوْا لِلّٰهِ اِنْ كُنْتُمْ اِيَّاهُ تَعْبُدُوْنَ

*"O you who have believed, eat from the good things which We have provided for you and be grateful to Allah if it is Him that you worship"*(Departemen Agama Republik Indonesia, 2022).

The interpretations of both verses, namely Surah Mu'minun, verse 51, and Surah al-Baqarah, verse 172, emphasize the importance of consuming halal and good (*Ṭayyib*) food, considering legal, beneficial, and procurement aspects. Halal food serves as a foundation for charitable deeds and obedience to Allah. In Surah Mu'minun, verse 51, Allah commands the messengers~~, and through~~ . Through them, humanity, to consume what is halal and to perform good deeds, while reminding that Allah is aware of every action of His servants.

Surah al-Baqarah, verse 172 directs the believers to consume good provisions as an expression of gratitude to Allah, which is not only articulated through words but also manifested through worship and obedience, acknowledging that only Allah is worthy of worship. Both verses illustrate the close correlation between halal consumption, the quality of deeds, and sincere gratitude, forming an essential principle in the lives of Muslims ~~as well as~~ and a foundation in Islamic economic law (Katsir, 2004).

The MUI Fatwa Number 80 of 2022 regarding Products and/or Materials that Must Undergo Laboratory Testing encompasses: products, product samples, samples taken, testing targets, types of tests, and compliance with the fatwa (excluding any elements of pork). This includes products that use gelatin (including that derived from fish) as raw materials or additives.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Product** | **Example Product** | **Sample Taken** | **Testing Target** | **Type of Test** | **Compliance with Fatwa** |
| Animal Derivatives (excluding meat) | Beef extract, gelatin (including fish), collagen (including fish), heparin, deoxycholic acid, chondroitin sulfate, etc. | Raw materials: If the product is heparin, deoxycholic acid Final product: If the product is collagen, animal meat extract, gelatin (including fish), chondroitin sulfate | Pig DNA | Real-time PCR | No elements of pork |

Table 1

In the halal product determination meeting, halal inspection bodies are required to conduct laboratory tests on certain types of products and/or materials to ensure they are free from contamination by haram and/or *najis* substances. The products and/or materials that must undergo laboratory testing, as outlined in point 1, include: products that contain alcohol; processed meat products from slaughtered animals; and menus from restaurants/catering/kitchens that use meat from slaughtered animals (except for chicken) or processed meat products that have been repackaged/labeled/reprocessed physically by suppliers who do not possess halal certification.

The products and/or materials that must undergo laboratory testing include: menus from restaurants/catering/kitchens that use seasonings derived from slaughtered animals, which have been repackaged/labeled/reprocessed physically by suppliers without halal certification; seasoning products that use animal-derived ingredients such as meat, bones, and skin; animal derivatives (excluding meat); products that use gelatin (including that derived from fish) as raw materials/additives; products that use gelatin as processing aids; medications/supplements that utilize capsule shells made from animal-derived materials, which have been repackaged/labeled by suppliers without halal certification; cosmetics containing animal placenta extracts; enzyme products sourced from animals; products that use enzymes from animal sources as raw materials or additives; products that use enzymes from animal sources as processing aids; cosmetics and election inks that do not have waterproof claims, such as waterproof, water-resistant, sweat-proof claims, and others; and consumer goods that use animal-derived materials (Keputusan KF MUI Nomor 80 Tahun 2022 Tentang Produk Dan Atau Bahan Yang Harus Dilakukan Uji Laboraturium.

**The Impact of Halal Labeling on MSME Products from the Perspective of the Sociologi of Islamic Economic Law**

Effective management related to trademark registration has been regulated under Islamic business law. Islamic business law encompasses the entirety of regulations and legal provisions concerning business practices that comply with Sharia principles, aimed at enhancing the welfare and benefit of humanity. Within Islamic business law, there exists a principle known as the principle of individual rights *(asas infiradiya)*. This principle grants individuals exclusive rights. In this context, the trademark owner has exclusive rights over goods that are registered/have a trademark, and full authority over their goods and trademarks, which must be respected by anyone who does not have rights to those goods (Djakfar, 2012).

According to the principle of individual rights, an individual who owns a trademark will acquire *haqq mālī*, or ownership rights over an object. An individual's ownership rights over an object are absolute and are regarded as one of the essential needs in human life (Mardani, 2014). Trademark ownership can be obtained through commendable, lawful, and ethical work, ~~in accordance with~~ by the law. In this regard, the individual principle can be demonstrated by an individual declaring or announcing their ownership of a trademark as a result of their work by registering the trademark with the Minister of Law and Human Rights *(Menteri Hukum dan Hak Asasi Manusia)* through the Directorate General of Intellectual Property (DJKI), thereby making their ownership of the product legal and ensuring that their ownership rights over the trademark cannot be claimed or misused by others. By registering trademarks, it is hoped that all MSMEs, such as Barlian Makrame as the owner of a registered trademark, can avoid various forms of losses.

The Free Halal Certification Program (*Sertifikasi Halal Gratis*/SEHATI) indicates that, according to Central Bureau of Statistics (*Badan Pusat Statistik*/BPS) data and the Chairman of the Indonesian Food and Beverage Entrepreneurs Association (*Gabungan Produsen Makanan Minuman Indonesia*/GAPMMI), out of 1.6 million MSMEs, only 10% possess halal certification. The low rate of halal certification is attributed to several factors, including cost issues and the entrepreneurs themselves (Sukoso et al., 2020). On September 8, 2021, the Ministry of Religion launched the Free Halal Certification Program (SEHATI) in response to the growing concerns regarding halal product guarantees, reinforced by Law Number 11 of 2020 on Job Creation, Government Regulation Number 39 of 2021 on the Implementation of Halal Product Guarantees, and Minister of Religious Affairs Regulation Number 20 of 2021 on Halal Certification for Micro and Small Enterprises (Huda & Rahman, 2022).

There are two key points regarding this issue. First, the obligation for halal certification for micro and small enterprises (that meet certain criteria) is based on self-declaration by the micro and small business operators in accordance with BPJPH standards. Second, the PPH (Halal Product Guarantee) assistance is conducted by Islamic organizations or religious institutions, limited liability companies, and BPJPH of the Ministry of Religion of the Republic of Indonesia. The enactment of Law Number 33 of 2014 on Halal Product Guarantees has led to a decrease in halal certification applications by the pharmaceutical industry (Irwansyah & Santoso, 2023). This is because Article 141, Paragraph 1 of Government Regulation Number 39 of 2021 on the Implementation of Halal Product Guarantees states that there will be a phased obligation for halal certification for medicines, with the longest timeline extending to 2034 for hard drugs. It is suspected that this lengthy transition period has contributed to the decline in halal certification for pharmaceutical products in 2020. However, the SEHATI program, which is specifically aimed at MSMEs, has not been implemented optimally due to several factors, including a lack of halal awareness and socialization (Nur Kasanah & Muhammad Husain As Sajjad, 2022).

**Social Problems**

A major problem related to halal certification in Indonesia is the insufficient understanding of halal concepts within Indonesian society. Many still assume that all products in the market are halal. SEHATI, as a program for free halal certification through self-declaration, has not been widely recognized by MSME operators (Personal Interview with Abdurrahim, Arman, Alfi and Hamid, *pempek* sellers, August 24, 2024). The dissemination of information and socialization is still largely overlapping between regular and self-declaration channels. Many MSME operators still assume that halal certification is expensive, that there is a lack of transparency from facilitators and service providers, that the registration process is difficult, and that there is no clarity on deadlines (Personal Interview with Juwita, Pempek Seller, August 21, 2024). Theoretically, this certification does not significantly impact cost components, as it is less than 1% compared to revenue. But the fact (as it is shown below), tells differently.

**Insufficient Stakeholder Support**

The Ministry of Religion, through BPJPH, provides easier access for MSME operators to obtain halal certification for free and ~~more easily~~ more efficiently through halal self-declaration (Zulfikar, 2023). However, there are still no regulations and supporting rules for SEHATI issued by other policymakers, such as local government heads, regional legislative councils (*Dewan Perwakilan Rakyat Daerah*/DPRD), MSME associations, and relevant ministries. All policies remain at the central level, and the budget for BPJPH is still small (around 114 billion rupiah). In fact, the SEHATI program is expected to facilitate the acquisition of 10 million free halal certificates.

**Unresponsive Business Operators**

BPJPH's commitment to providing halal certification services requested by business operators digitally through an information system is an implementation of the mandate of Government Regulation Number 39 of 2021, Article 148.

The service system for the implementation of Halal Product Assurance (JPH) utilizes an integrated electronic-based service. A significant problem that has emerged is the lack of technological awareness among many micro, small, and medium enterprises (*Usaha Kecil dan Menengah*/UMKM). Consequently, ~~there remains a widespread perception~~ a widespread perception remains that UMKM is merely a small business that does not yet require serious digital applications. Strengthening Halal SMEs in Indonesia also faces challenges due to the limited effectiveness of the Halal Product Assurance (*Proses Produk Halal*/PPH) facilitators. This is evident from the data indicating that there are 15,777 registered PPH facilitators under the Ministry of Religious Affairs, serving only 149 Halal Certification Bodies (*Lembaga Pemeriksa Halal*/LPH). The total number of applications for the SEHATI program in phases 1 and 2 has only reached around 40,000. Thus, on average, each PPH facilitator only supports 1-2 UMKM. In addition to the uneven distribution of the facilitators’ work areas, another issue is the lack of thoroughness among facilitators in verifying the documents that UMKM actors must upload on the ptsp.halal.go.id platform (Suryana, 2022). As a result, many documents are returned after being received by BPJPH due to incompleteness, failure to include process flow diagrams, and even expired Halal certificates. There are critical points where some have registered for certification not for products but for outlets (places of business).

It is clearly stated in the regulations that the SEHATI program can only include food and beverages that are processed simply without involving critical materials. This issue arises from the lenient requirements for becoming a PPH facilitator. According to Ministerial Regulation No. 20 of 2021, there are no technical competency requirements for PPH facilitators. The only requirement for a PPH facilitator is a minimum of high school graduation or its equivalent. PPH facilitators should be competent in conducting verification or audits. An 8-hour theoretical training and 8 hours of practical training without appropriate educational background requirements will make it difficult to present valid and accountable data regarding materials and PPH (Jakiyudin & Fedro, 2022).

Halal certification and labeling from a *maṣlaḥah* perspective is a sharia objective aimed at protecting the Muslim community. This certification aims to fulfill needs and provide legal certainty regarding the halal status of a product, which is evidenced by halal certification and labeling. Halal certification and labeling are categorized as *maṣlaḥah ḍarūriyah*, and therefore, the obligation for halal certification and labeling must be carried out gradually (Kadir, 2022). Halal certification and labeling are critically needed for the welfare of the community in fulfilling the needs to preserve religion, life, intellect, lineage, and property. The rapid advancement of knowledge and technology in the fields of food, beverages, pharmaceuticals, cosmetics, and other products has led to a transformation in the processing and use of products. Production, which initially was simple and natural, has become increasingly complex (Naufaldi Bintoro & Muthoifin, 2024). Moreover, it is common for there to be mixing between halal and haram materials, whether intentional or unintentional.

**Pempek, Certification and Pricing**

In the context of the traditional market, such as Pasar 26 Ilir Palembang, there is a significant price difference between *pempek* with halal labeling and *pempek* without halal labeling. The analysis of the price differences is as follows:

Pempek With Halal Label:

1. Higher Price: Pempek with a halal label is generally sold at a higher price, ranging from 10% to 20% above the price of *pempek* without a label. This is due to:
2. Halal Certification Costs: Business operators must incur costs to obtain halal certification from authorized institutions (such as LPPOM MUI).
3. Quality Improvement: The halal certification process requires business operators to maintain better standards for raw materials, production processes, and hygiene.
4. Product Added Value: Consumers, especially from the Muslim community, consider halal labels as a guarantee of trust, thus they are willing to pay more for these products.
5. Market Segmentation: Pempek with a halal label tends to attract consumers from the upper middle class or those with a strong religious preference.

Pempek Without Halal Label:

1. Lower Price: Pempek without a halal label is generally cheaper because:
2. No Additional Costs for Certification or Production Process Improvements.
3. Production is carried out traditionally without adherence to halal standards.
4. Not all raw materials meet strict halal standards, although they are often still considered halal by the local community.
5. Market Segmentation: This *pempek* is more popular among consumers prioritizing low prices or those who do not care much about halal certification, including non-Muslim consumers.

Table 2

Example of Price Differences in the 26 Ilir Market (Estimate)

(The essence of this data was derived from observations, participatory engagement at *Pasar* 26 Ilir Palembang, conducted on July 20-30, 2024)

|  |  |  |
| --- | --- | --- |
| Type of *Pempek* | Price per Serving/  Package (Rp) | Description |
| Halal-Labeled *Pempek* | 20,000 – 25,000 | Higher price due to certification process and standard raw materials. |
| Non-Halal-Labeled *Pempek* | 15,000 – 18,000 | Lower price with common raw materials, without halal certification. |

**Influence on Consumer Preferences**

Muslim consumers tend to prefer *pempek* with halal labeling even though it is more expensive, primarily due to religious aspects and trust. On the other hand, non-Muslim consumers or those with lower purchasing power may choose *pempek* without halal labeling for economic reasons.

**Social and Economic Implications**

Halal-labeled *pempek* has a greater appeal in broader markets, including export opportunities. However, the higher costs often pose a challenge for micro, small, and medium enterprises (UMKM) to compete with non-halal labeled products in the local market.

The halal status of a product requires special study and necessitates multidisciplinary knowledge, such as food science, chemistry, biochemistry, industrial engineering, biology, pharmacy, and an understanding of Islamic jurisprudence. The concept of halal refers to the manner in which goods and services are produced and delivered consistently with Islamic law or sharia. This is to avoid practices and products that are prohibited (*haram*) by Islamic teachings. While halal is most often associated with food production and processing industries, it also applies to fields such as pharmaceuticals, health products, tourism, cosmetics, hygiene products, logistics, packaging, and more (Dubé et al., 2016). With halal certification, it can be proven that the product is guaranteed to be halal for use.

The halal status of a product, whether it be food, pharmaceuticals, cosmetics, fashion, or other consumer goods, is a mandatory requirement for all consumers, particularly for Muslim consumers. Halal is assessed not only based on the content of raw materials but also on the methods or processes of production and the means of acquisition. Halal certification for food, pharmaceuticals, cosmetics, and other products is conducted to provide certainty regarding their halal status to reassure consumers. The relationship between halal production processes is guaranteed by producers through the implementation of a Halal Assurance System *(Sistem Jaminan Halal*, SJH) (Nadha, 2022).

The existence of Government Regulation No. 39 of 2021 concerning the Implementation of Product Halal Assurance provides legal certainty regarding the halal quality of a product, as evidenced by halal certification. This serves as a form of protection and legal certainty for consumers using these halal products. The halal certificate indicates the recognition of a product's halal status, issued by the Halal Product Assurance Organization (*Badan Penyelenggara Jaminan Produk Halal*, BPJPH) based on a written halal fatwa issued by the Indonesian Ulema Council (*Majelis Ulama Indonesia*, MUI) (Vania et al., 2021).

Every element related to the halal status of food and beverage products faces various challenges that hinder the certification process. These challenges include limitations in authority and funding at MUI (LP-POM) for conducting halal certification outreach, weak legal awareness among producers regarding the necessity of halal certification for their products, and a lack of understanding among the Muslim community about the importance of being vigilant regarding the halal status of the food and beverages they consume.

From the perspective of social, legal, and economic aspects of sharia, MUI Fatwa No. 80 of 2022 has a significant impact on the purchasing power of halal-labeled UMKM (micro, small, and medium enterprises) products, especially *pempek* at Pasar 26 Ilir, Palembang. This impact encompasses several aspects: (Rasyid, 2019)

1. Increased Compliance with Sharia Law in Business: This fatwa strengthens the application of sharia law in the economic practices of society, as consumers and producers are encouraged to transact in accordance with sharia principles. UMKM that have halal certification not only enhance the purchasing power of Muslim consumers but also demonstrate compliance with sharia economic law. This has a broad social impact, as the community is motivated to support businesses that adhere to sharia principles.
2. Formation of New Social Norms in Consumption: With this fatwa, Muslim consumers are likely to become more selective in choosing halal products. This gives rise to a new social norm characterized by a collective awareness of consuming products that align with Islamic values (Whyte, 2023). From the perspective of legal sociology and sharia economics, this new norm can encourage UMKM actors to meet halal standards as a developing social demand within the Muslim community.
3. Srengthening Sharia Economic Institutions within Society: This fatwa also reinforces the presence of institutions that support sharia economics, such as MUI, halal certification bodies, and sharia economic communities (Limanseto, 2022). As the community begins to prioritize halal products, the role of these institutions becomes more significant in providing certification, education, and oversight to ensure that economic practices align with sharia principles, fostering a more harmonious social relationship between economic actors and institutions.
4. Encouraging Social Participation in Developing the Halal Ecosystem: The fatwa encourages the community to participate in the halal ecosystem by choosing halal products and supporting UMKM that meet halal standards. This fosters social participation in the development of sharia-based economy. Consumers play a role in cultivating an ecosystem that supports halal products, subsequently enhancing the competitiveness and sustainability of halal UMKM in the market (Menne et al., 2023).
5. Minimizing Social Risks in Consuming Products of Doubtful Halal Status: This fatwa also plays a role in reducing social uncertainty regarding the halal status of products, such as *pempek* at Pasar 26 Ilir. With the halal label, Muslim consumers are less hesitant to purchase local products, thereby fostering closer social relationships between consumers and producers without concerns about compliance with sharia. This social impact illustrates that MUI Fatwa No. 80 of 2022 not only regulates halal aspects legally but also shapes a social environment that is more aware of sharia economic law. This fatwa influences community behavior in choosing halal products and reinforces Islamic values in daily consumption and trade.

In short, it is proven that in the case of *pempek* Pasar Ilir 26 Palembang, halal certification caused some social implications as follows:

HALAL CERTIFICATION:

Legal Substance

Legal Structure

Legal Culture

SOCIAL IMPLICATIONS

HALAL AWARENESS

HALAL LIFESTYLE

HALAL INSTITUTIONALIZATION

HALAL STANDARD TRANSACTION

HALAL ECONOMIC STANDARIZATION

1. **CONCLUSION**

The question addressed in this paper is how to analyze the Fatwa of the National Sharia Council-Indonesian Ulema Council (DSN-MUI) regarding Halal Labeling and its Social and Legal Economic Context: The DSN-MUI fatwa on halal labeling plays a crucial role in ensuring that UMKM (micro, small, and medium enterprises) products in Indonesia conform to sharia principles, particularly in the food industry. This fatwa is not merely a formal legal rule; it also carries social significance as it reflects a serious commitment to maintaining the halal status and cleanliness of the products sold. In the context of social, legal, and sharia economic law, this fatwa serves as an important foundation for business actors to gain the trust of Muslim consumers, avoid *riba* (usury), and uphold sharia values in economic activities. Additionally, the fatwa conveys a strong social message—namely, to preserve the sanctity of consumption for Muslims and to engage all business actors in upholding sharia ethics in the marketplace.

The second question of this paper is how the impact of halal labeling on UMKM products is viewed from the perspective of legal sociology and sharia economics: The provision of halal labels on UMKM products has significant impacts from the perspective of legal sociology and sharia economics. First, halal labeling enhances the purchasing power of Muslim consumers, who feel more comfortable and assured in consuming products that align with their religious teachings. Second, the social impact is the formation of a new norm among the Muslim community, characterized by a preference for consuming halal products as a commitment to Islamic law. Third, halal labeling encourages UMKM to become more competitive and to meet sharia standards, thereby strengthening the overall sharia economic ecosystem. With the increasing demand for certified halal products, this labeling reinforces sharia economic institutions and creates a more inclusive market for UMKM striving to uphold sharia principles in their economic activities.

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