

## Fatwa, Marketing, and Halal Certification: A Socio-Legal Analysis of The Indonesian Ulama Council Fatwa Number 80 of 2022

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**ABSTRACT:** *This study examines the impact of Indonesian Ulema Council (MUI) Fatwa Number 80 of 2022 on consumer interest in halal-certified products among Micro, Small, and Medium Enterprises (MSMEs), specifically pempek at 26 Ilir Market in Palembang. The research employs a qualitative socio-legal approach, utilizing interviews, field observations, and document analysis. The findings indicate that halal certification influences consumer purchasing decisions, as products with a halal label are perceived as more trustworthy and compliant with Islamic business ethics. However, MSMEs face challenges such as certification costs, lack of awareness, and regulatory complexity. The study concludes that integrating fatwa-based regulations with legal frameworks for halal product assurance plays a crucial role in shaping consumer preferences and strengthening the halal market ecosystem. Strengthening halal certification policies and socialization efforts is essential for enhancing MSME competitiveness in Indonesia's halal industry.*

Penelitian ini mengkaji dampak Fatwa Majelis Ulama Indonesia (MUI) Nomor 80 Tahun 2022 terhadap minat konsumen terhadap produk bersertifikat halal di kalangan Usaha Mikro, Kecil, dan Menengah (UMKM), khususnya pempek di Pasar 26 Ilir, Palembang. Penelitian ini menggunakan pendekatan kualitatif sosio-hukum, dengan menggunakan wawancara, observasi lapangan, dan analisis dokumen. Hasil penelitian menunjukkan bahwa sertifikasi halal memengaruhi keputusan pembelian konsumen, karena produk dengan label halal dianggap lebih dapat dipercaya dan sesuai dengan etika bisnis Islam. Namun, UMKM menghadapi tantangan seperti biaya sertifikasi, kurangnya kesadaran, dan kompleksitas

regulasi. Penelitian ini menyimpulkan bahwa mengintegrasikan regulasi berbasis fatwa dengan kerangka hukum untuk jaminan produk halal memainkan peran penting dalam membentuk preferensi konsumen dan memperkuat ekosistem pasar halal. Penguatan kebijakan sertifikasi halal dan upaya sosialisasi sangat penting untuk meningkatkan daya saing UMKM di industri halal Indonesia.

**Keywords:** *MUI Fatwa, Product Marketing, Halal Certification, Socio-Legal.*

## I. INTRODUCTION

The National Sharia Council (*Dewan Syariah Nasional/DSN*) is an institution established by the Indonesian Ulama Council (*Majelis Ulama Indonesia/MUI*) that 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) a mufti provides regarding a particular issue. The legal position of fatwas in Indonesia carries authority and plays a vital role in 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 (Musjtari et al., 2019).

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 Arabic means "*bayyana*" which means to explain. Another meaning of a fatwa includes advice, counsel from knowledgeable individuals, and moral teachings. A related term is "*futya*" which refers to elucidating complex 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 establishing Islamic law. The function of a fatwa is to provide a formal reaffirmation, as it encapsulates the reiteration of the views of 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; instead, they are issued by committees from various Islamic organizations, such as the Muhammadiyah's *Majelis Tarjih*, Nahdlatul Ulama's *Bahtsul Masā'il*, and the Fatwa Council of the Indonesian Ulama Council (Amalia, 2019). The first two committees represent modern and traditional Indonesian perspectives. At the same time, the third is generally viewed as a convergence or confederation of contemporary and traditional

elements due to its membership, which includes representatives from Muhammadiyah and Nahdlatul Ulama.

The MUI's fatwa committee was established in 1975 alongside the formation of the MUI itself. It has issued 185 fatwas on various issues, including rituals, family matters, medical ethics, social concerns, economic issues, and 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 (Dewi, 2017; Hubik, 2024). 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 (Salisu et al., 2023). 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, implementing an Islamic financial system is considered a prayer (Abdad, 2019). Islamic economics is a manifestation of worship within the Islamic economic system, characterized by values centered on promoting sound and preventing wrongdoing (*amr ma'rūf wa nahi munkar*), which entails doing what is right and refraining from what is prohibited. This can be examined through divine economics, ethical economics, human-centric economics (humanity as stewards of the earth), and balanced economics (justice in 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*, *hawālah*, 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 (Ramadhan et al., 2024; Widiyono, 2024).

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 in Islamic economic law. Halal-labeled products symbolize compliance with religious regulations and 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 most of the population is Muslim, 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).

## II. METHOD

This study employs a qualitative socio-legal research approach to examine the influence of the MUI Fatwa Number 80 of 2022 on consumer interest in halal-certified products among Micro, Small, and Medium Enterprises (MSMEs) in Palembang, particularly in the case of pempek at 26 Ilir Market. The research focuses on pempek producers, sellers, and consumers who purchase pempek. The study's primary data were collected through in-depth interviews with four pempek sellers, namely Abdurrahim, Arman, Alfi, and Hamid, as well as one female seller, Juwita, who has been operating in 26 Ilir Market for more than ten years (Abdurrahim et al., 2024). Additionally, five consumers were interviewed to understand their purchasing preferences regarding halal-labeled and non-halal-labeled pempek. The secondary data were obtained from legal documents, fatwas, government regulations, and scholarly articles related to halal certification and Islamic economic law (Juwita, 2024).

The collected data were analyzed using descriptive analysis, which, according to Atmowardoyo (2018), involves data reduction, data display, and conclusion drawing. This method was chosen because it systematically interprets qualitative findings by identifying the data's patterns, themes, and relationships. Descriptive analysis is particularly relevant to this study because it helps illustrate how MUI fatwas and halal certification policies shape consumer purchasing behavior and MSME adaptation strategies. Furthermore, legal sociology theory was employed to analyze the interactions between Islamic legal norms, consumer behavior, and business practices (Al-Mazroui, 2021). The socio-legal perspective provides insights into how fatwas influence economic decisions beyond their purely doctrinal implications. This theoretical framework aligns with the study's focus on

examining the social and legal dimensions of halal certification within the MSME sector in Indonesia.

### 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. For example, many farmers do not fully understand or apply halal principles in the agricultural sector, necessitating training and support from certification bodies (Mahri et al., 2024; Naisabur & Putra, 2024). In the culinary industry, 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 (Sani, 2023; Syarofi & Syam, 2025). 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, this study can provide comprehensive insights into the development of Sharia-based business strategies for MSMEs in Indonesia, particularly in enhancing the competitiveness of halal products in the global market. Halal labeling is emphasized in Islamic economic law, focusing on MSMEs in South Sumatra.

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

يَا أَيُّهَا الرُّسُلُ كُلُوا مِنَ الطَّيِّبَاتِ وَاعْمَلُوا صَالِحًا إِنِّي بِمَا تَعْمَلُونَ عَلِيمٌ

"O Messengers, eat from the good things and work righteousness. Indeed, I know of what you do."

The Qur'an, surah al-Baqarah, verse 172:

يَا أَيُّهَا الَّذِينَ آمَنُوا كُلُوا مِن طَيِّبَاتِ مَا رَزَقْنَاكُمْ وَاشْكُرُوا لِلَّهِ إِن كُنتُمْ إِيَّاهُ تَعْبُدُونَ

"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."

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 (*tayyib*) 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. Through them, humanity consumes what is halal and performs good deeds while reminded that Allah is aware of every action of His servants.

Surah al-Baqarah, verse 172 directs the believers to consume reasonable provisions as an expression of gratitude to Allah, which is articulated through words and 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 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.

**Table 1. Products or materials that must be tested in the laboratory**

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 or 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

In the halal product determination meeting, halal inspection bodies must conduct laboratory tests on specific 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 (MUI No.80, 2022).

### The Impact of Halal Labeling on MSME Products from the Perspective of the Sociology 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, a principle known as the principle of individual rights (*asas infiradiya*) exists. This principle grants individuals exclusive rights. In this context, the trademark owner has exclusive rights over goods that are registered/have a trademark and complete authority over their goods and trademarks, which must be respected by anyone who does not have rights to those goods (Ante & Sutrisno, 2025).

According to the principle of individual rights, an individual who owns a trademark will acquire *haqq māli*, or ownership rights over an object. An individual's ownership rights over an object are absolute and regarded as an essential human need (Lubis & Hulwanullah, 2024; Mardani, 2014). Trademark ownership can be obtained through commendable, lawful, and ethical work 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 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 registered trademark owner, can avoid various 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 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 specific criteria) is based on self-declaration

by the micro and small business operators by 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 most prolonged timeline extending to 2034 for hard drugs. This lengthy transition period is suspected of contributing to the decline in halal certification for pharmaceutical products in 2020. However, the SEHATI program, aimed explicitly at MSMEs, has not been implemented optimally due to several factors, including a lack of halal awareness and socialization (Kasanah & Sajjad, 2022).

### ***Social Problems***

A significant 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 (Abdurrahim et al., 2024). The dissemination of information and socialization still largely overlaps 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 complex, and that there is no clarity on deadlines (Juwita, 2024). Theoretically, this certification does not significantly impact cost components, as it is less than 1% compared to revenue. But the fact (as shown below) tells things differently.

### ***Insufficient Stakeholder Support***

The Ministry of Religion, through BPJPH, provides easier access for MSME operators to obtain halal certification for free and more efficiently through halal self-declaration (Zulfikar, 2023). However, no regulations and supporting rules for SEHATI are still 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 tiny (around 114 billion rupiah). 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 implementing Halal Product Assurance (JPH) utilizes an integrated electronic-based service. A significant problem is the lack of technological awareness among many micro, small, and medium enterprises (*Usaha Kecil dan Menengah/UMKM*). Consequently, a widespread perception remains that UMKM is merely a small business that does not yet



require severe 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 15,777 registered PPH facilitators under the Ministry of Religious Affairs serve 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](https://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 and 8 hours of practical training without appropriate educational background requirements will make it challenging 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 seeks to fulfill needs and provide legal certainty regarding a product's halal status, 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 community's welfare in fulfilling the need to preserve religion, life, intellect, lineage, and property. The rapid advancement of knowledge and technology in food, beverages, pharmaceuticals, cosmetics, and other products has led to a transformation in the processing and use of products. Initially simple and natural, production has become increasingly complex (Bintoro & Muthoifin, 2024). Moreover, it is common to mix between halal and haram materials, whether intentional or unintentional.

### **Certification and Pricing in the Case of Pempek in 26 Ilir Market Palembang**

In the context of the traditional market, such as 26 Ilir Market 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:
  - a. Halal Certification Costs: Business operators must incur costs to obtain halal certification from authorized institutions (such as LPPOM MUI).
  - b. Quality Improvement: The halal certification process requires business operators to maintain better raw materials, production processes, and hygiene standards.
  - c. 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.
  - d. Market Segmentation: Pempek with a halal label tends to attract consumers from the upper middle class or those with a strong religious preference.
2. Lower Price: Pempek without a halal label is generally cheaper because:
  - a. There are no Additional Costs for Certification or Production Process Improvements.
  - b. Production is carried out traditionally without adherence to halal standards.
  - c. Not all raw materials meet strict halal standards, although they are often still considered halal by the local community.
3. 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)**

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 unique 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 how goods and services are produced and delivered consistently with Islamic law or sharia. This is to avoid practices and products prohibited (haram) by Islamic teachings. While halal is most often associated with food production and processing industries, it applies to pharmaceuticals, health products, tourism, cosmetics, hygiene products, logistics, packaging, and more (Hashim, 2024). 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, mainly Muslim consumers. Halal is assessed not only based on the content of raw materials but also 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 is 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 *BPJPH* based on a written halal fatwa issued by the Indonesian Ulema Council (Helmi, 2021; Vania et al., 2021).

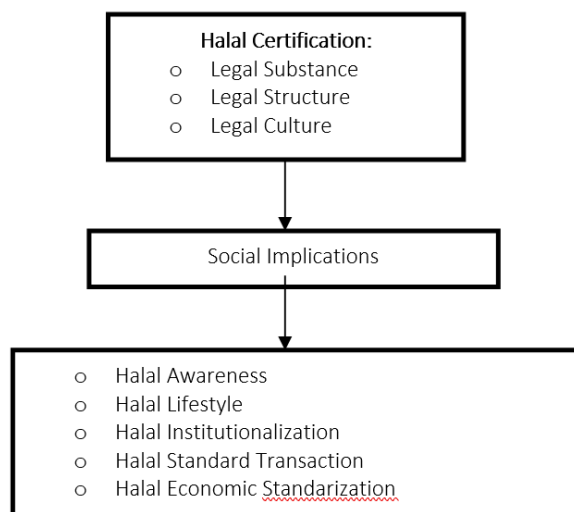
Every element related to the halal status of food and beverage products faces various challenges that hinder the certification process. These challenges include limitations in authority and funding at MUI (LP-POM) for conducting halal certification outreach, weak legal awareness among producers regarding 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 26 Ilir Market, 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 by sharia principles. UMKM, which has halal certification, not only enhances the purchasing power of Muslim consumers but also demonstrates 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 will likely become more selective in choosing halal products. This creates 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. **Strengthening 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 financial 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 the Sharia-based economy. Consumers play a role in cultivating an ecosystem that promotes 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 reduces social uncertainty regarding the halal status of products, such as pempek at 26 Ilir Market. With the halal label, Muslim consumers are less hesitant to purchase local products, fostering closer social relationships between consumers and producers without concern about sharia compliance. This social impact illustrates that MUI Fatwa No. 80 of 2022 regulates halal aspects legally and 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 Ilir Market 26 Palembang, halal certification caused some social implications as follows:



**Figure 1.** Some social implications of the Ilir Market 26 Palembang pempek case

#### IV. 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 is an essential 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 implications 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. It creates a more inclusive market for UMKM striving to uphold sharia principles in their economic activities.

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