

Di Terbitium oleh Program Duktor (Imu Hukum (PDIH) Unissufa

- ACCIDA PENEGAKAN HURUM DAN BELFERREIMYN BAGU PENEARGURAN BANGSA GAN PROTE HURUMUNGH, SEAN, MINUT INNOVENING MUNICIPAL SANGSIAN SANGSIAN SANGSIAN BANGSA KAJIAN UNDANG UNDANG OFONOMO DEBAH TERMEDAP PERIODELAH BANGS
- KEPENILIMAN DIMAN SIJEUN DI ATAS HAN GUNA BANGUNAN TANG MALIPLAT DI ATAA HAR PENGELDI AAN TANAH KOMPLEK BANDANA KEMMEDAANI
 OAN DI PURMANG LE, NING MALIPLAT BANDANA KEMMEDAANI
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- REVITALISASI HUKUM CYBERSPACE ITHUALIAN SHERGEINE CYBERLAW PADA RERAKALAN CYBERCHME

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 DI SEMBAGA PENSINAAN KAN BELAS II B SLAMI
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 MOTERIORITASI HELI PARCESTA TELAM PENBANAHUAN MURUM PIDANA DI HIDOHESIA.
- THUMULEN YUNGHE KEDUGUKAN JAKSA DAN SURAT DARIMAAN DEMITEKCAPANYA MILALIYOLAI KKADILAN Onto SCROSS (II-308) Saketari SPD HINDRI Lawa Sorgin
- THURUAN YUMDIS PROSES PENDISIAN JABATAN GUBERNUR DAN MAKK. GUBERNUR GABRAH ISTIMEWA TOGTAMARYA MENURUT UNDANG-UNSIANG MÜNIGE 13 TAHUN 2013.
- REBUADAN FORWALAS INJEUN PIDANA TERNADAP MINUS HAPE DALAM PEMBAHARUAN HUNUM PIDANA RERDASARKAN WILAH KEADILAN DALAM MEDINITUR, M.S. Durah Austria Topulan Injensia Indonesia



Jumal Violatteim Samanana Vot1 No.1 ISSN 2355-0481 Pendaharuan Hukum Januari 2014



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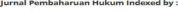
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Jurnal Pembaharuan Hukum

Volume 12, Number 2, August 2025 E-ISSN: 2355 – 0481 (Print)

ISSN: 2580 - 3085 (Online)



NAVIGATING THE NEW LANDSCAPE: CONSUMER RIGHTS AND HALAL PRODUCT GUARANTEES IN INDONESIA

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ARTICLE INFO

Keywords:

Consumer Protection; Consumer Rights; Halal Certification; Halal Product Guarantee; SMEs.

ABSTRACT

Rising public awareness of halal certification and consumer rights in Indonesia has prompted strengthened regulations through Law Number 33 of 2014 on Halal Product Assurance, aiming to ensure compliance with Islamic standards and protect Muslim consumers. This study examines how this law impacts consumer trust, market dynamics, and business readiness, particularly for micro, small, and medium enterprises, while addressing gaps in regulatory enforcement and consumer awareness. Employing a qualitative approach with a descriptive-analytical design, data were gathered through in-depth interviews with stakeholders, including certification bodies, businesses, and consumers, alongside document reviews and observations. Findings reveal that the law enhances consumer confidence in halal product authenticity but imposes significant administrative and financial burdens on small businesses, especially in rural areas, due to centralized certification processes and high costs. Limited consumer understanding of certification procedures and weak oversight mechanisms increase risks of fraudulent labeling. Digitalizing certification processes and integrating halal information into e-commerce platforms can improve transparency and accessibility, though effectiveness depends on institutional capacity and stakeholder collaboration. The study concludes that a balanced, inclusive halal ecosystem requires robust policy support, empowerment of small businesses, and enhanced consumer education to ensure regulatory success and global competitiveness.

A. INTRODUCTION

Indonesia, as the world's largest Muslim-majority nation, faces significant legal challenges in ensuring consumer protection within its rapidly growing halal industry, driven by increasing demand for halal-certified products across sectors such as food, pharmaceuticals, and cosmetics. With the enactment of Law Number 33 of 2014 on Halal Product Assurance represents a pivotal regulatory effort to standardize halal certification processes, ensuring compliance with Islamic dietary laws while safeguarding consumer rights. This legal framework mandates that all products circulating in Indonesia obtain halal certification unless proven otherwise, aligning with the broader objective of fostering ethical business practices and protecting Muslim consumers. The integration of halal certification with consumer protection laws, such as Law Number 8 of 1999, underscores Indonesia's commitment to creating a robust legal ecosystem that balances religious obligations with market integrity. However, the complexity of implementing these regulations raises critical legal questions about enforcement, accessibility, and their impact on market dynamics.

The study focuses specifically on the intersection of consumer rights and halal product guarantees under the Halal Product Assurance Law, examining how regulatory enforcement affects consumer trust and business compliance, particularly for Micro, Small, and Medium Enterprises (MSMEs). The specific problem addressed is the tension between ensuring consumer protection through mandatory halal certification and the administrative and financial burdens it imposes on MSMEs, which often struggle to meet certification requirements. This issue is critical as it influences market inclusivity and the ability of consumers to access reliable halal products. The study also explores gaps in consumer awareness and regulatory oversight, which undermine the effectiveness of halal guarantees and open opportunities for fraudulent practices. These challenges highlight the need for a balanced legal framework that supports both consumer rights and business sustainability.

Empirical observations reveal a mixed reality in the implementation of halal certification in Indonesia. Reports of fraudulent halal labeling and inconsistent regulatory supervision have eroded consumer trust in some instances, with cases of non-certified products being marketed as halal,

¹ Nur Syamsiyah and Yudhistira Ardana. "Halal industry in Indonesia: Opportunities, challenges and strategies." *IEB: Journal of Islamic Economics and Business* 1, no. 2 (2022): 38.

² Ismael Muzamiru nandala and Tawfik Azrak. "Halal Certification: Legal and Ethical Consideration in Islamic Jurisprudence." *International Journal of Islamic Business* 9, no. 2 (2024): 47.

³ Raphael Odoom, Bedman Narteh, and Richard Boateng. "Branding in small-and medium-sized enterprises (SMEs) Current issues and research avenues." *Qualitative Market Research: An International Journal* 20, no. 1 (2017): 70.

⁴ Evi Sopiah, Abdulah Safe'i, Elly Marlina, and Heris Suhendar. "Changes in Halal Product Guarantee Regulations Perspective of Legal Politics and Consumer Rights Protection." *Khazanah Hukum* 6, no. 2 (2024): 124. See too, Suhendro, Suhendro. "Halal Product Guarantee Law on Grab Food application services in Providing Protection to Consumers." *Journal of Law and Sustainable Development* 11, no. 12 (2023): 3.

particularly in rural areas.⁵ MSMEs, which dominate Indonesia's economy, face significant barriers due to high certification costs and bureaucratic delays, often leading to market exclusion.⁶ For example, interviews with small food producers in Palangka Raya indicate that certification costs can range from IDR 2-5 million, a substantial burden for businesses with limited capital.⁷ Conversely, large corporations with greater resources navigate the certification process more easily, creating disparities in market access. The concentration of certification bodies in urban centers further complicates access for rural MSMEs, delaying market entry and reducing competitiveness. These phenomena underscore the practical challenges in translating legal mandates into effective consumer protection and market equity.⁸

Previous studies have explored various dimensions of halal certification, yet significant research gaps remain. According to Usman et al.,⁹ consumer purchasing decisions are heavily influenced by trust in halal labels, but their study does not address regulatory enforcement mechanisms. Similarly, Alam and Sayuti¹⁰ emphasize religious commitment as a driver of halal product purchases but overlook the challenges faced by MSMEs in complying with certification laws. Wilson and Liu¹¹ highlight the economic potential of Indonesia's halal market but fail to examine consumer rights or the administrative burdens of certification. According to Firdaus,¹² integrating sharia financial mechanisms with the halal economy is promising, but his

⁵ Mohammad Mominul Islam, Mohamed Syazwan Ab Talib, and Nazlida Muhamad. "Developing theoretical lenses for upstream halal businesses." *Journal of Islamic Marketing* 15, no. 1 (2024): 193.

⁶ Adi Saifurrahman and Salina Hj Kassim. "Regulatory issues inhibiting the financial inclusion: a case study among Islamic banks and MSMEs in Indonesia." *Qualitative Research in Financial Markets* 16, no. 4 (2024): 593.

⁷ Evi Sopiah, Abdulah Safe'i, Elly Marlina, and Heris Suhendar. "Changes in Halal Product Guarantee Regulations Perspective of Legal Politics and Consumer Rights Protection." *Khazanah Hukum* 6, no. 2 (2024): 133. See also, Nofrianto Harun. "Analysis of Consumer Protection Laws Against Food and Beverage Products That Do Not Have Halal Labels in Gorontalo City." *Estudiante Law Journal* 1, no. 3 (2019): 674.

⁸ Prihatini Purwaningsih, Desty Anggie Mustika, and Ady Purwoto. "Adressing Non-Compliance with Halal Product Regulations in Indonesia: Safeguarding Muslim Consumer Rights." *Kanun Jurnal Ilmu Hukum* 26, no. 2 (2024): 232.

⁹ Hardius Usman, Chairy Chairy, and Nucke Widowati Kusumo Projo. "Impact of Muslim decision-making style and religiosity on intention to purchasing certified halal food." *Journal of Islamic Marketing* 13, no. 11 (2022): 2270.

¹⁰ Syed Shah Alam and Nazura Mohamed Sayuti. "Applying the Theory of Planned Behavior (TPB) in halal food purchasing." *International journal of Commerce and Management* 21, no. 1 (2011): 10.

¹¹ Jonathan AJ Wilson and Jonathan Liu. "The challenges of Islamic branding: navigating emotions and halal." *Journal of Islamic marketing* 2, no. 1 (2011): 30. See also, Meina Liu and Steven R. Wilson. "The effects of interaction goals on negotiation tactics and outcomes: A dyad-level analysis across two cultures." *Communication Research* 38, no. 2 (2011): 250.

¹² Cecep Bryan Firdaus. "Integrating sharia financial mechanisms with indonesia's halal economy: Opportunities, challenges, and strategies for sustainable growth." *Journal of Islamic Economic Insights* 1, no. 1 (2025): 16.

analysis does not cover consumer awareness or digital solutions for certification transparency. This study addresses these gaps by analyzing the interplay of regulatory enforcement, consumer rights protection, MSME challenges, and the role of digital transformation in enhancing halal certification processes, offering a comprehensive perspective absent in prior research.

The normative foundation (das Sollen) for this study is rooted in the principles of consumer protection and Islamic law, as enshrined in Law Number 8 of 1999 and Law Number 33 of 2014. These laws establish the right to accurate product information, safety, and ethical business practices, ensuring that Muslim consumers can trust halal certifications. Ideally, the halal certification system should be accessible, affordable, and transparent, with robust enforcement to prevent fraud and ensure compliance across all business scales. This normative framework demands a synergy between legal mandates and practical implementation to uphold consumer rights while fostering an inclusive market. The integration of digital platforms, such as blockchain technology, is proposed as a normative solution to enhance transparency and traceability, aligning with global best practices in halal certification.¹³

The significance of this study lies in its academic and practical contributions to Indonesia's halal ecosystem. Academically, it fills a critical gap by integrating regulatory, consumer, and business perspectives, offering new insights into the challenges of halal certification enforcement. Practically, it provides policymakers with evidence-based recommendations to improve certification accessibility, particularly for MSMEs, and enhance consumer education to boost trust in halal products. The study also supports Indonesia's ambition to become a global halal hub by identifying strategies to align local regulations with international standards. By exploring digital innovations, such as e-commerce integration and blockchain, the study offers practical solutions to enhance transparency and market competitiveness. These contributions are vital for fostering a sustainable and equitable halal economy.¹⁴

The research addresses several key issues: the extent to which consumer rights are protected under the current halal certification framework, the challenges MSMEs face in obtaining certification, the effectiveness of regulatory enforcement mechanisms, consumer awareness of halal guarantees, and the potential of digital transformation to improve certification processes. These issues form the core of the study's inquiry, aiming to uncover

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¹³ Maria Ulfa. "Halal Regulation: Halal Self-Declare in Halal Certification." *Journal of Islamic Business Law* 6, no. 2 (2022): 10.

¹⁴ Amelia Tri and Anwar Adem Shikur. "General Risk on Trust, Satisfaction, And Recommendation Intention for Halal Food: Evidence in Indonesia." *Islamic Marketing Review* 1, no. 1 (2022): 7.

the barriers to effective implementation and propose solutions for a more inclusive halal ecosystem. By examining these dimensions, the study seeks to provide a holistic understanding of how legal frameworks, business practices, and consumer behavior intersect in Indonesia's halal market.

The objectives of this study are to analyze the protection of consumer rights within Indonesia's halal product assurance system, examine the challenges faced by MSMEs in obtaining and maintaining halal certification, evaluate the role of regulatory bodies in ensuring effective halal guarantees, assess consumer perceptions and awareness of halal certification reliability, and explore the potential of digital transformation to enhance certification processes and transparency. These objectives guide the study's qualitative approach, ensuring a comprehensive analysis of the legal, economic, and social dimensions of halal product guarantees in Indonesia. The findings aim to inform policymakers, businesses, and consumers, fostering a balanced and globally competitive halal ecosystem.

B. RESEARCH METHODS

This study adopts a qualitative research approach with a descriptive-analytical design to explore the interplay of consumer rights and halal product assurance in Indonesia, interpreting the experiences, perspectives, and regulatory frameworks shaping this landscape. The methodology focuses on understanding the implementation of Law Number 33 of 2014 on Halal Product Assurance by analyzing its impact on consumer trust, business compliance, particularly for Micro, Small, and Medium Enterprises (MSMEs), and regulatory effectiveness. By prioritizing a qualitative lens, the study captures nuanced insights into stakeholder experiences, ensuring a comprehensive examination of legal, social, and economic dimensions. Data collection draws from both primary and secondary sources to provide a robust foundation for analysis, aligning with the study's objective to uncover challenges and opportunities within Indonesia's halal ecosystem.

Primary data were gathered through semi-structured interviews with key stakeholders, including representatives from the Indonesian Ulema Council (*Majelis Ulama Indonesia*/MUI), the halal product assurance agency, business actors involved in halal certification, consumer protection organizations, and individual consumers. These interviews were designed to elicit in-depth perspectives on certification processes, consumer awareness, and regulatory enforcement, with participants selected purposively to represent diverse roles in the halal market. To ensure ethical integrity, informed consent was obtained, and participant anonymity was maintained throughout the research process. Secondary data were sourced from official documents, such as the Halal Product Assurance Law and related regulations, academic literature, and

reports from relevant institutions, providing contextual and historical depth to the study.

Data collection employed multiple techniques to ensure comprehensive and reliable findings. Document analysis of legal frameworks, policy reports, and institutional guidelines further enriched the study's understanding of regulatory mechanisms. Thematic analysis was used to process the data, identifying and coding key patterns related to consumer rights, MSME barriers, and enforcement gaps, ensuring a systematic exploration of the research objectives. Triangulation, combining insights from interviews, observations, and documents, enhanced the validity and reliability of the findings. Qualitative content analysis was applied to regulatory texts to assess their alignment with consumer protection principles, providing a deeper understanding of the legal framework's implications for halal assurance in Indonesia.

C. DISCUSSION

1. Harmonizing Consumer Protection and Halal Product Assurance to Promote an Inclusive Halal Ecosystem in Indonesia

The analysis of consumer rights and halal product guarantees in Indonesia reveals a complex and evolving landscape influenced by regulatory frameworks, market dynamics, and consumer expectations. The enforcement of halal certification, as mandated by Law Number 33 of 2014 concerning Halal Product Guarantee, has significantly shaped the business environment, requiring producers and distributors to comply with stringent certification processes. This regulatory shift reflects the government's commitment to protecting Muslim consumers while also positioning Indonesia as a global leader in the halal industry. However, the implementation of this law has not been without challenges, as businesses, particularly Small and Medium Enterprises (SMEs), face financial and administrative burdens in obtaining halal certification. This dynamic raises concerns regarding the balance between regulatory enforcement and economic inclusivity, as many smaller producers struggle to navigate the bureaucratic requirements. In the small producers are struggle to navigate the bureaucratic requirements.

From a consumer rights perspective, the mandatory halal certification system has strengthened consumer confidence, ensuring that products labeled

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¹⁵ Nasrudin Nasrudin and Nina Nursari. "Peran Sertifikasi Halal dalam Penguatan Industri Makanan Halal: Instrumen Perlindungan Konsumen Muslim di Indonesia." *Qanuniya: Jurnal Ilmu Hukum* 2, no. 1 (2025): 16.

¹⁶ Indah Dwi Lestari, Suriansyah Murhaini, and Andika Wijaya. "Sertifikasi Halal: Analisis Hukum dan Impementasinnya Pada UMKM Kuliner di Palangka Raya." *Palangka Law Review* 4, no. 1 (2024): 35-46. See too, Maulana, Tubagus Farhan. "Peran Mui Dalam Sertifikasi Halal Pada Makanan Bagi Masyarakat Muslim." *Jurnal Hukum Statuta* 4, no. 1 (2024): 21.

as halal meet the required religious and safety standards.¹⁷ This legal framework aligns with the fundamental consumer rights outlined in Law Number 8 of 1999 on Consumer Protection, which guarantees the right to accurate product information and the right to safety.¹⁸ The synergy between halal certification and consumer rights law reinforces legal certainty for Muslim consumers, offering a clearer distinction between halal and non-halal products in the market.¹⁹ However, despite these regulatory advancements, gaps remain in enforcement and public awareness. Instances of fraudulent halal labeling and inconsistent supervision by authorities indicate that effective implementation still requires improvements.²⁰ The ability of regulatory bodies such as the halal product assurance agency and the Indonesian Ulema Council to monitor compliance and penalize violations plays a crucial role in maintaining consumer trust.²¹

The economic implications of mandatory halal certification extend beyond consumer protection and religious adherence, influencing Indonesia's positioning in the global halal market.²² As the world's largest Muslim-majority country, Indonesia has the potential to become a major player in the halal industry, with growing demand for certified halal products both domestically and internationally.²³ The government's initiative to streamline halal certification processes, such as the digitalization of applications and increased collaboration with business sectors, indicates a progressive effort to enhance efficiency and accessibility.²⁴ Nonetheless, structural challenges persist, particularly in ensuring that certification costs remain affordable for all

¹⁷ Irwan Aufi, Fajar Azhari Julian, Ahmad Maulidizen, Rifqi Fathin Ariaputra, and Muhammad Fauzan. "The Role of Certification Standards in Shaping Halal Supply Chain Practices: A Qualitative Literature Review." *Journal of Islamic Law and Legal Studies* 1, no. 2 (2024): 83.

¹⁸ Andri Siregar. "Consumer Protection Regarding the Circulation of Non-SNI Certified Electronic Goods from the Perspective of Maqashid Sharia: A Case Study of an Electronics Store in Medan Denai District." *Journal Equity of Law and Governance* 5, no. 2 (2024): 25.

¹⁹ Irwan Aufi, Fajar Azhari Julian, Ahmad Maulidizen, Rifqi Fathin Ariaputra, and Muhammad Fauzan. "The Role of Certification Standards in Shaping Halal Supply Chain Practices: A Qualitative Literature Review." *Journal of Islamic Law and Legal Studies* 1, no. 2 (2024): 83.

Waldemar Gajda. "Legal Foundations for Developing Anti-Fraud Policies in Enterprises: Challenges and Perspectives." *Public Administration and Law Review* 2 (22) (2025): 92.

²¹ Tasya Anzellyta and Anis Fittria. "The effectiveness of the halal product guarantee law on business awareness in registration of halal certification in Indonesia." *Walisongo Law Review (Walrev)* 4, no. 1 (2022): 98. See also, Sopiah et al. "Changes in Halal Product Guarantee Regulations." *Khazanah Hukum* 6, no. 2 (2024): 128.

²² Irwan Aufi, Fajar Azhari Julian, Ahmad Maulidizen, Rifqi Fathin Ariaputra, and Muhammad Fauzan. "The Role of Certification Standards in Shaping Halal Supply Chain Practices: A Qualitative Literature Review." *Journal of Islamic Law and Legal Studies* 1, no. 2 (2024): 83.

²³ Md Siddique E. Azam and Moha Asri Abdullah. "Global halal industry: realities and opportunities." *IJIBE (International Journal of Islamic Business Ethics)* 5, no. 1 (2020): 49.

²⁴ Anita Rizkia Rahma and Rifqi Ridlo Phahlevy. "Overcoming barriers to improve halal compliance in Indonesia." *Indonesian Journal of Law and Economics Review* 19, no. 3 (2024): 16.

business scales.²⁵ The tension between maintaining rigorous halal standards and facilitating business growth remains a critical issue that policymakers must address to prevent market exclusion.²⁶

Consumer awareness and education are essential components in the effectiveness of halal certification and consumer rights enforcement.²⁷ Despite the increasing accessibility of halal-certified products, a significant portion of the population remains unaware of the certification process, its significance, and their rights as consumers. Efforts to bridge this knowledge gap through public campaigns, educational programs, and transparent labeling practices could further empower consumers in making informed purchasing decisions. The role of digital platforms in disseminating halal product information also emerges as an important factor, as e-commerce continues to reshape consumer behavior.²⁸ The integration of halal certification databases with online shopping platforms could enhance transparency and accessibility, reinforcing consumer confidence in digital transactions.

In analyzing the intersection of consumer rights and halal product guarantees, it is evident that Indonesia's regulatory landscape is undergoing a transformation that seeks to balance religious obligations, legal protections, and economic growth. The strengthening of halal certification mechanisms and consumer protection laws reflects a broader national agenda to standardize and regulate the halal industry in a manner that benefits both businesses and consumers.²⁹ However, the extent to which these measures succeed in achieving their intended goals depends on the effectiveness of regulatory enforcement, the adaptability of businesses, and the level of consumer

²⁵ Evy Crals and Lode Vereeck. "The affordability of sustainable entrepreneurship certification for SMEs." *The International Journal of Sustainable Development & World Ecology* 12, no. 2 (2005): 175.

²⁶ Zaki Ahmad, Mohamed Normen Ahamed Mafaz, and Md Mahfujur Rahman. "Harmony in halal: Understanding stakeholder views analyzing products and evaluating policies in Malaysia." *West Science Business and Management* 1, no. 05 (2023): 502.

²⁷ Thomas Christian Parray and Hamid Husein Mokhtar. "Analyzing Halal Certification Processes, Consumer Behavior, and Regulatory Landscape in Batam City, Indonesia." *Law and Economics* 18, no. 1 (2024): 16.

²⁸ Wiwin Dwi Ratna Febriyanti. "Penyelenggaran Jaminan Produk Halal dalam Memberikan Perlindungan Hukum Konsumen Muslim di Indonesia Pasca Putusan Mahkamah Konstitusi Nomor 91/PUU-XVIII/2020." *Journal of Law, Society, and Islamic Civilization* 11, no. 2: 92. See too, Adelia Maelani Agustin, Firda Shauma Destiawan, Moch Diki Yulianto, Okta Nurul Gina, Sulis Indriani, and Edi Suresman. "Peran Sertifikasi Halal dalam Melindungi Konsumen Muslim: Tinjauan Hukum Islam dan Hukum Nasional." *Media Hukum Indonesia (MHI)* 3, no. 1 (2025): 249.

²⁹ Marnita Marnita. "Directions for the development of the halal ecosystem in public policy: a study of Islamic law and legislation in Indonesia." *Al-Ishlah: Jurnal Ilmiah Hukum* 27, no. 2 (2024): 157. See too, Didih Muhamad Sudi. "Bridging Regulatory Diversity: Halal Certification Frameworks in Indonesia, Malaysia, and Singapore and the Road to ASEAN Harmonisation." *Milkiyah: Jurnal Hukum Ekonomi Syariah* 4, no. 1 (2025): 16.

awareness.³⁰ Addressing these challenges requires a multi-stakeholder approach, involving government agencies, industry players, and consumer advocacy groups to create a sustainable and inclusive halal ecosystem.

As Indonesia continues to refine its halal product guarantee framework, lessons can be drawn from global best practices in countries with well-established halal certification systems. Comparative studies and international collaborations could provide valuable insights into policy improvements and enforcement strategies, ensuring that Indonesia remains competitive in the global halal market.³¹ Ultimately, the success of Indonesia's halal product guarantee system will be determined by its ability to maintain regulatory integrity while fostering an inclusive and competitive business environment that upholds consumer rights and religious compliance.

2. Regulatory Framework and Its Impact on Consumer Rights

The implementation of halal product guarantees in Indonesia is fundamentally governed by Law Number 33 of 2014 on Halal Product Assurance, which mandates halal certification for products circulating in the country. This law was established to provide legal certainty for Muslim consumers while also ensuring that businesses comply with Islamic dietary laws. The government, through the halal product assurance agency, oversees the certification process, which requires businesses to undergo rigorous inspections and verification by the MUI before being granted the halal label. The integration of this law with Law Number 8 of 1999 on Consumer Protection reinforces consumer rights by guaranteeing access to reliable product information, safety standards, and ethical business practices.³²

Despite the strong legal framework, challenges remain in its implementation. Many businesses, particularly small and medium enterprises (SMEs), struggle with the certification process due to high costs, lengthy procedures, and bureaucratic inefficiencies. The burden of compliance raises concerns regarding market accessibility and economic equity, as large corporations with greater financial resources can easily meet certification requirements, while smaller producers' risk being excluded from the formal



³⁰ Matti Tuominen, Arto Rajala, and Kristian Möller. "How does adaptability drive firm innovativeness?." *Journal of Business research* 57, no. 5 (2004): 502.

³¹ Irwan Aufi, Fajar Azhari Julian, Ahmad Maulidizen, Rifqi Fathin Ariaputra, and Muhammad Fauzan. "The Role of Certification Standards in Shaping Halal Supply Chain Practices: A Qualitative Literature Review." *Journal of Islamic Law and Legal Studies* 1, no. 2 (2024): 83. See also, Anita Rizkia Rahma and Rifqi Ridlo Phahlevy. "Overcoming barriers to improve halal compliance in Indonesia." *Indonesian Journal of Law and Economics Review* 19, no. 3 (2024): 16

³² Vironika Usmi, Sendy Herlina Nagara, Aurora Majestica, Sry Sukmawati, and Dwi Putri Lestarika. "Hak atas Informasi bagi Konsumen terhadap Labelisasi Halal dan Non Halal pada Industri Kuliner." *Indonesian Journal of Law and Justice* 2, no. 1 (2024): 9.

market.³³ This dynamic could potentially limit consumer choices and create disparities in halal product availability, particularly in rural and underdeveloped regions where SMEs play a crucial role in the local economy. Table 1 summarizes these challenges and their implications, highlighting how certification barriers affect SMEs and limit consumer access to halal products, particularly in rural areas.

Table 1. Challenge-Impact Analysis and Their Corresponding Implications

Table 1. Challenge Impact Analysis and Their Corresponding Implications				
Aspect	Challenges	Implications		
Legal	Strong, but implementation	The intended benefits may not be fully		
Framework	faces challenges	realized due to enforcement difficulties		
SME Struggles	High certification costs, lengthy	Many small businesses may fail to		
	procedures, bureaucratic	obtain certification, limiting their		
	inefficiencies	market participation		
Compliance	Large corporations have	Smaller producers risk exclusion from		
Burden	financial advantages in meeting	the formal market, reducing		
	certification requirements	competition		
Market	SMEs face greater barriers	Economic disparities may widen,		
Accessibility &	compared to large businesses	affecting fair market participation		
Equity				
Consumer	Limited choices due to	Potential scarcity of certified halal		
Impact	exclusion of small producers	products in rural and underdeveloped		
		areas		
Regional	SMEs are crucial in rural	Limited halal product availability may		
Disparities	economies but struggle with	affect local consumers and businesses		
	compliance			

Furthermore, the effectiveness of enforcement mechanisms remains questionable, as reports of fraudulent halal labeling and counterfeit certification persist. The lack of adequate supervision and auditing capacity weakens the reliability of the halal certification system, undermining consumer trust.³⁴ Some businesses continue to operate without proper certification, exploiting regulatory loopholes and consumer ignorance. This issue highlights the necessity of strengthening monitoring mechanisms through stricter enforcement policies, transparent auditing processes, and severe penalties for non-compliance.³⁵

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³³ Muhammad Yogi Riazmi Putra, Hasnati Hasnati, and Yeni Triana Triana. "Tanggungjawab Pelaku Usaha Rumah Makan Padang Terhadap Perolehan Sertifikasi Halal Di Kota Pekanbaru: Responsibilities of Padang Restaurant Business Actors for Obtaining Halal Certification in Pekanbaru City." *Doktrina: Journal of Law* 5, no. 2 (2022): 218.

³⁴ Hulman Panjaitan, Andrew Bethlen, Paltiada Saragi, and Tomson Situmeang. "Synergy of Trademark Protection and Consumer Rights: A Legal Analysis on the Prevention of Product Counterfeiting." *JHK: Jurnal Hukum dan Keadilan* 2, no. 5 (2025): 3.

³⁵ Kolade Olusola Ogunsola, Emmanuel Damilare Balogun, and Adebanji Samuel Ogunmokun. "Enhancing financial integrity through an advanced internal audit risk assessment and

The interplay between consumer rights and halal product assurance also raises concerns about transparency in the certification process. Consumers often lack access to clear and detailed information regarding the halal status of products, particularly for imported goods.³⁶ While efforts have been made to create digital databases and online verification systems, their accessibility remains limited due to technological gaps and low digital literacy among certain consumer groups. Enhancing transparency through consumer education programs and digital platforms is essential to ensure that consumers can independently verify the halal integrity of products before making purchasing decisions.³⁷

Lastly, while Indonesia aspires to become a global halal hub, the harmonization of local halal regulations with international standards remains a work in progress. The government has initiated collaborations with various international halal certification bodies, but discrepancies in certification standards across countries pose challenges for trade and export opportunities.³⁸ Aligning Indonesia's halal certification with global standards will not only protect domestic consumers but also enhance the competitiveness of Indonesian halal products in the international market.

3. Economic Implications of Mandatory Halal Certification

The economic impact of mandatory halal certification is significant, affecting both producers and consumers. For businesses, obtaining halal certification entails financial and administrative costs that vary depending on the scale and nature of the business. While large multinational corporations can easily absorb these costs, many SMEs face considerable difficulties in meeting certification requirements.³⁹ The government has introduced subsidies and assistance programs to ease the burden on SMEs, but these initiatives are often insufficient and inconsistently distributed, leaving many small businesses vulnerable to exclusion from formal markets.

³⁹ Suud Sarim Karimullah. "Rethinking Halal: Exploring the Complexity of Halal Certification and its Socio-Economic Implications." *Al-Bayan: Jurnal Hukum Dan Ekonomi Islam* 3, no. 2 (2023): 106.



governance model." *International Journal of Multidisciplinary Research and Growth Evaluation* 2, no. 1 (2021): 782.

³⁶ Inda Nurdahniar. "Label Non Halal Sebagai Upaya Perlindungan Hak Konsumen Muslim." *Wacana Paramarta: Jurnal Ilmu Hukum* 20, no. 1 (2021): 38.

³⁷ Evi Sopiah, Abdulah Safe'i, Elly Marlina, and Heris Suhendar. "Changes in Halal Product Guarantee Regulations Perspective of Legal Politics and Consumer Rights Protection." *Khazanah Hukum* 6, no. 2 (2024): 127.

³⁸ Yuyut Prayuti. "Muslim Food Consumer Protection Through The Regulation Of Halal Labels In Indonesia." *Jurnal IUS Kajian Hukum Dan Keadilan* 8, no. 1 (2020): 17.

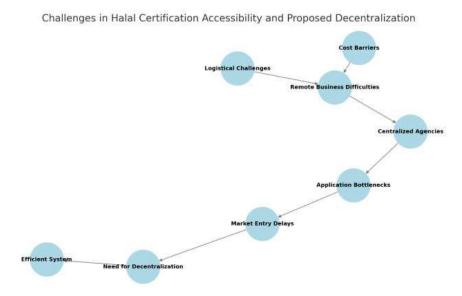


Figure 1. Challenges in Halal Certification Accessibility and Proposed Decentralization

Figure 1 illustrates the interconnected barriers that hinder the halal certification process, particularly for businesses in remote areas. It highlights how certification services pose barriers, prevent market entry, and increase the need for decentralized and regionally accessible certification services. The implementation of halal certification in Indonesia still faces various structural barriers, particularly for small and medium enterprises (SMEs).⁴⁰ The high cost of certification is a major obstacle, causing many SMEs to be marginalized from the formal market due to inability to pay.⁴¹ Furthermore, the distribution of certification bodies overseeing major cities creates serious logistical challenges

⁴⁰ Tasya Anzellyta and Anis Fittria. "The effectiveness of the halal product guarantee law on business awareness in registration of halal certification in Indonesia." *Walisongo Law Review (Walrev)* 4, no. 1 (2022): 98. See too, Siti Zakiah Abu Bakar, Siti Norhasmaedayu, Mohd Zamani, Mohd Akhir Bin Hj Ahmad, and Endang Prasetyaningsih. "Challenges in the implementation of halal certification among small medium enterprises (SMEs)." *Russian Law Journal* 11, no. 4S (2023): 365. See too, Muthia Sakti and Dwi Aryanti Ramadhani. "Halal Certification of Micro and Small Enterprises' Food Products for Consumer Protection." *Amsir Law Journal* 5, no. 1 (2023): 25. See too, Muhammad Bima and Mohammad Nizarul Alim. "Assessing the Reliability of Halal Certification Implementation: A Qualitative Study on Perceptions of Halal Supervisors and Micro Business Actors." *Journal of Islamic Economic Laws* 8, no. 01 (2025): 83; Asnaini Asnaini, Irwan Abdullah, Miko Polindi, Ahmad Muzakky, and Ayu Yuningsih. "Resistance of Micro, Small, and Medium Enterprise Owners to Halal Labeling Policy within Islamic Law Framework." *AL-IHKAM: Jurnal Hukum & Pranata Sosial* 20, no. 1 (2025): 201.

⁴¹ Ridwan Arifin, Salsabila Fakhriyyah Ar-raidah, and Vania Shafira Yuniar. "Halal product guarantee to the development of small and medium enterprises business in Indonesia." *Jurnal Hukum Islam* 18, no. 1 (2020): 124. See also, Tasya Anzellyta and Anis Fittria. "The effectiveness of the halal product guarantee law on business awareness in registration of halal certification in Indonesia." *Walisongo Law Review (Walrev)* 4, no. 1 (2022): 98; See too, Deviana Yuanitasari, Agus Sardjono, and Heru Susetyo. "Tantangan Regulasi Halal Untuk Pelaku Usaha Mikro dan Kecil: Sebuah Studi Socio-Legal di Kupang Nusa Tenggara Timur." *Acta Diurnal Jurnal Ilmu Hukum Kenotariatan* 6, no. 2 (2023): 256.

for businesses in remote areas. They must incur additional travel costs and deal with long processing times, which reduces incentives to obtain halal certification and lowers market competitiveness. The concentration of bodies in urban areas also creates systemic inefficiencies, as staff shortages and bureaucratic processes slow down permit processing. Centralized systems lead to long wait times for businesses seeking to legally enter the halal market, thus hindering investment and industry growth. To address these issues, decentralizing certification services is an urgent solution. This approach involves establishing certification offices at the regional or district level, speeding up the process, lowering costs, and increasing accessibility. With a more efficient and inclusive system, businesses can participate more broadly in the halal market, while strengthening consumer trust in certified products.

In addition to cost barriers, logistical challenges further complicate the certification process. Businesses operating in remote areas encounter difficulties in accessing halal certification facilities, as inspection agencies are often concentrated in major cities. The centralized nature of certification services creates bottlenecks in the application and approval process, delaying market entry for many businesses. This issue underscores the need for decentralized and regionally accessible halal certification services to ensure a more inclusive and efficient system.

From a consumer perspective, the economic impact of mandatory halal certification is reflected in price fluctuations and market competitiveness. The additional costs incurred by businesses for certification are often passed down to consumers, leading to higher retail prices for halal-certified products. While this price increase is justifiable in terms of quality assurance, it may reduce

⁴² Graeme Auld, Benjamin Cashore, Cristina Balboa, Laura Bozzi, and Stefan Renckens. "Can technological innovations improve private regulation in the global economy?." *Business and Politics* 12, no. 3 (2010): 7.

⁴³ Peter J. May, Samuel Workman, and Bryan D. Jones. "Organizing attention: Responses of the bureaucracy to agenda disruption." *Journal of Public Administration Research and Theory* 18, no. 4 (2008): 520.

⁴⁴ Vazquez Melendez, Elena Isabel, Paul Bergey, and Brett Smith. "Blockchain technology for supply chain provenance: increasing supply chain efficiency and consumer trust." *Supply chain* management: An international journal 29, no. 4 (2024): 713.

⁴⁵ Wenming Liu and Jingjing Li. "Knowledge dynamics in rural tourism supply chains: challenges, innovations, and cross-sector applications." *Journal of the Knowledge Economy* 16, no. 2 (2025): 6740.

⁴⁶ Andri Mulyana, Ahmad Maulidizen, and Fajar Azhari Julian. "Barriers and Drivers of Halal Supply Chain Integration: A Qualitative Analysis of Existing Literature." *Journal of Islamic Law and Legal Studies* 1, no. 2 (2024): 65.

⁴⁷ Anita Rizkia Rahma and Rifqi Ridlo Phahlevy. "Overcoming barriers to improve halal compliance in Indonesia." *Indonesian Journal of Law and Economics Review* 19, no. 3 (2024): 16. See too, Mohd Amri Abdullah, Zalina Zakaria, Ahmad Hidayat Buang, and Siti Zubaidah Ismail. "Pensijilan Halal Di Malaysia: Suatu Analisis Pensejarahan Dan Perkembangannya: Halal Certification in Malaysia: An Analysis of Its History and Development." *Journal of Shariah Law Research* 6, no. 2 (2021): 236.

affordability and accessibility, particularly for low-income consumers.⁴⁸ This creates a paradox where the policy intended to protect consumers inadvertently limits their purchasing power and access to halal products.

Despite these challenges, mandatory halal certification also presents economic opportunities, particularly in the global halal market. Indonesia, as the country with the world's largest Muslim population, holds enormous potential in the export of halal food, cosmetics, pharmaceuticals, and other consumer goods.⁴⁹ The government has actively promoted Indonesia's halal industry through international trade agreements, exhibitions, and bilateral partnerships, aiming to position the country as a key player in the global halal economy.⁵⁰ However, to fully capitalize on this opportunity, Indonesia must enhance the efficiency, credibility, and international recognition of its halal certification system.⁵¹

Lastly, while the economic advantages of halal certification are evident, its success depends on policy adaptability and stakeholder collaboration. Ensuring that halal certification remains inclusive and affordable, while maintaining high regulatory standards, requires continuous dialogue between the government, business sectors, religious authorities, and consumer advocacy groups. This multi-stakeholder approach will be essential in creating a halal certification framework that balances economic growth with consumer protection.

D. CONCLUSION

The implementation of Law Number 33 of 2014 on Halal Product Assurance in Indonesia has significantly shaped the halal ecosystem, enhancing consumer trust in certified products while positioning the country as a potential global halal hub. However, challenges such as high certification costs and bureaucratic inefficiencies disproportionately affect Micro, Small, and

⁴⁸ Marnita Marnita. "Directions for the development of the halal ecosystem in public policy: a study of Islamic law and legislation in Indonesia." *Al-Ishlah: Jurnal Ilmiah Hukum* 27, no. 2 (2024): 160.

⁴⁹ Supriyadi Supriyadi, Rahma Aulia, Labib Nubahai, Rozanah Ab Rahman, and Rosmah Mohamed. "Legal effectiveness of halal product certification in improving business economics in Indonesia and Malaysia." *Al-Ahkam* 34, no. 1 (2024): 197.

⁵⁰ Hasnaa Nur Azizah, Muhammad Arief Ramadhan, Tanaya Fauzia Utami, Nurul Hidayati, and Rashdi M. Casim. "Mutual Recognition Agreements: A Gateway to Global Opportunities or A Pathway of Challenges in Indonesian Economics for Halal Agri-Food Sector." *Halal Studies and Society* 2, no. 1 (2025): 21.

⁵¹ Renzo Mori Junior, Daniel M. Franks, and Saleem H. Ali. "Sustainability certification schemes: Evaluating their effectiveness and adaptability." *Corporate Governance* 16, no. 3 (2016): 584.

⁵² Irwan Aufi, Fajar Azhari Julian, Ahmad Maulidizen, Rifqi Fathin Ariaputra, and Muhammad Fauzan. "The Role of Certification Standards in Shaping Halal Supply Chain Practices: A Qualitative Literature Review." *Journal of Islamic Law and Legal Studies* 1, no. 2 (2024): 89.

⁵³ Andrea Radas. "Inclusive business models as drivers of sustainable growth and social progress." *Journal of Policy Options* 6, no. 3 (2023): 10.

Medium Enterprises (MSMEs), limiting market inclusivity, while gaps in consumer awareness and inconsistent regulatory oversight enable fraudulent labeling practices. This study highlights the critical interplay between consumer rights protection, MSME compliance challenges, and enforcement mechanisms, revealing that regulatory success depends on addressing these barriers to ensure equitable access. Digital innovations, such as e-commerce integration and blockchain technology, offer promising solutions to improve transparency and accessibility, but their effectiveness hinges on robust institutional capacity and stakeholder collaboration. By addressing all research objectives, including consumer perceptions and digital transformation, this study provides a comprehensive analysis of Indonesia's halal certification framework, contributing unique insights into its legal and economic dimensions.

Moving forward, fostering a transparent and inclusive halal ecosystem requires targeted policy interventions and multi-stakeholder engagement. To support MSMEs, policymakers should expand subsidies and establish regional certification offices to reduce costs and logistical barriers, ensuring broader market participation. Consumer education campaigns, integrated with digital platforms like halal product assurance agency online portal, can enhance awareness and empower informed purchasing decisions. Strengthening enforcement through stricter auditing and penalties for non-compliance is essential to eliminate fraudulent practices and maintain consumer confidence. International collaborations to align Indonesia's standards with global halal certification frameworks will further enhance competitiveness, supporting the country's ambition to lead the global halal market. By balancing consumer protection, business sustainability, and regulatory integrity, Indonesia can build a globally competitive halal economy that upholds religious compliance and economic equity.

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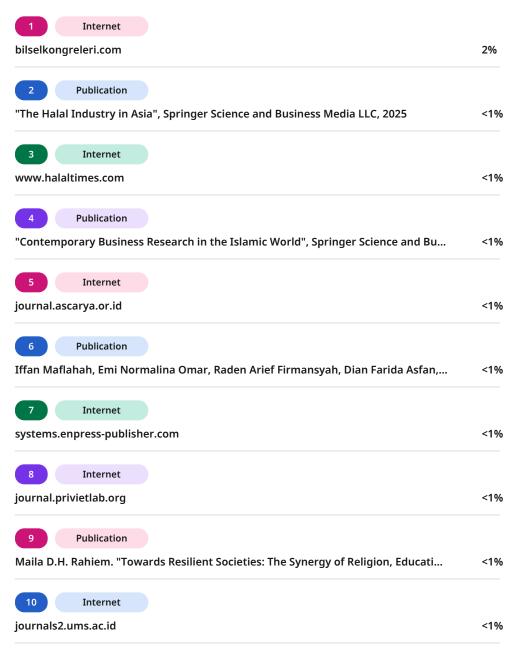
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Navigating The New Landscape: Consumer Rights and Halal Product Guarantees in Indonesia

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ABSTRACT

The growing awareness of halal certification and consumer rights in Indonesia has led to increased scrutiny over the guarantees provided for halal products. As the country with the largest Muslim population, Indonesia has implemented stringent regulations to ensure the authenticity and compliance of halal products in the market. This study employs a qualitative research method to explore the impact of these regulations on consumer trust, market dynamics, and business adaptation. Data were collected through in-depth interviews, document analysis, and observations involving regulatory bodies, halal certification agencies, business owners, and consumers. The findings indicate that the implementation of Indonesia's Halal Product Assurance Law (JPH Law) has significantly influenced consumer confidence in product authenticity while also presenting challenges for businesses, particularly small and medium enterprises (SMEs) (Odoom et al., 2017). Many businesses struggle with the costs and administrative burdens of certification, leading to concerns about market accessibility. Meanwhile, consumers perceive halal certification as a crucial aspect of their purchasing decisions, but there remains a gap in their understanding of certification processes and enforcement mechanisms. The study also highlights the role of digital platforms in spreading awareness and promoting transparency regarding halal guarantees. Despite the progress made, regulatory inconsistencies and enforcement gaps still pose challenges in ensuring full compliance. This research contributes to the discourse on consumer rights by providing insights into the evolving landscape of halal product quarantees in Indonesia, emphasizing the need for policy enhancements, business support mechanisms, and greater consumer education to uphold halal integrity in an increasingly complex market.

Keyword: Consumer Rights, Halal Certification, Halal Product Guarantee, Indonesia, Qualitative Research





INTRODUCTION

Indonesia, as the country with the largest Muslim population in the world, has a strong demand for halal-certified products across various industries, including food, pharmaceuticals, and cosmetics. With the enactment of Law No. 33 of 2014 on Halal Product Assurance (JPH Law) and subsequent regulatory frameworks, the Indonesian government aims to strengthen the halal certification system and ensure consumer protection in line with Islamic dietary laws and ethical business practices. The law mandates that all products entering, circulating, and traded in Indonesia must obtain halal certification unless proven otherwise. However, as the halal industry continues to expand, several challenges have emerged, particularly regarding consumer rights, business adaptation, and regulatory enforcement.

Consumer trust in halal guarantees is a fundamental issue, as there have been instances of fraudulent certification, insufficient regulatory oversight, and lack of consumer awareness about the certification process. While businesses must comply with mandatory halal certification, many, especially small and medium enterprises (SMEs), struggle with the costs and administrative requirements involved. These dynamics create a complex landscape where consumer rights and business interests intersect, requiring an in-depth examination of how halal guarantees impact market behavior and regulatory effectiveness.

Despite the increasing academic focus on halal certification and consumer behavior, there remains a significant gap in research examining the interplay between consumer rights, halal product guarantees, and business adaptation within the new regulatory framework in Indonesia. Most existing studies primarily explore consumer purchasing decisions related to halal-labeled products (Usman et al., 2022)¹ or the economic impact of the halal industry (Purwaningsih et al., 2024)². However, limited research has analyzed the

² Purwaningsih, P., Mustika, D. A., & Purwoto, A. (2024). Adressing Non-Compliance With Halal Product Regulations In Indonesia: Safeguarding Muslim Consumer Rights. Kanun Jurnal Ilmu Hukum, 26(2), 232-250.



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¹ Usman, H., Chairy, C., & Projo, N. W. K. (2022). Impact of Muslim decision-making style and religiosity on intention to purchasing certified halal food. Journal of Islamic Marketing, 13(11), 2268-2289.



regulatory enforcement mechanisms, consumer perceptions of halal assurance, and business challenges in complying with new certification laws.

Additionally, while previous studies have highlighted the importance of halal certification for consumer trust (Al-Ansi et al., 2019), little attention has been given to how government policies influence the accessibility and affordability of halal certification, particularly for SMEs. This study aims to bridge this gap by examining how consumer rights are upheld, how businesses navigate regulatory changes, and what challenges persist in ensuring robust halal product guarantees in Indonesia.

The urgency of this study stems from the rapid growth of Indonesia's halal economy and the increasing need for a transparent, accessible, and enforceable halal certification system. As mandatory halal certification enforcement continues to unfold, many businesses are still in the process of adjusting to the new regulations, while consumers seek greater clarity regarding their rights and the reliability of halal guarantees. Ensuring the effectiveness of halal certification is crucial not only for consumer protection and religious compliance but also for Indonesia's position in the global halal market.

Given the rise of digital commerce and globalization of halal products, concerns regarding fraudulent claims, lack of enforcement, and consumer misperceptions must be addressed. Additionally, Indonesia's ambition to become a global halal hub requires a well-functioning halal assurance system that balances consumer rights with business sustainability. Understanding these dynamics is essential for policymakers, business stakeholders, and halal certification bodies to develop strategies that enhance trust, compliance, and inclusivity in the halal market.

Several studies have examined different aspects of halal certification and consumer behaviour.³ explored consumer attitudes toward halal labels, concluding that trust in certification bodies significantly influences purchasing decisions. Alam and Sayuti (2011) examined consumer intention to purchase

³ Firdaus, C. B. (2025). Integrating sharia financial mechanisms with indonesia's halal economy: Opportunities, challenges, and strategies for sustainable growth. Journal of Islamic Economic Insights, 1(1), 14-28.





halal products, emphasizing religious commitment and brand trust as key determinants. Meanwhile⁴, Wilson and Liu (2011) analyzed the economic potential of the halal market, highlighting Indonesia's strategic role in the global halal industry.

While these studies contribute valuable insights into halal consumerism, they do not comprehensively address consumer rights issues, business compliance challenges, and the effectiveness of the halal product guarantee system in Indonesia. This study seeks to expand upon previous research by providing a regulatory perspective on halal assurance, focusing on its impact on both consumers and businesses under the JPH Law.

This study presents a novel contribution by examining the regulatory and consumer rights dimensions of halal certification in Indonesia, an area that has received limited scholarly attention. Unlike previous predominantly focuses on consumer behavior and economic potential, this study takes a holistic approach by integrating perspectives from regulatory bodies, businesses, and consumers.

Additionally, this research provides new insights into the digital transformation of halal certification, analyzing how digital platforms and blockchain technology are being integrated to improve transparency and consumer confidence. Another unique aspect of this study is its focus on the challenges faced by SMEs, which are often overlooked in discussions about halal certification compliance.

This study aims to achieve the following objectives:

- 1. To analyze how consumer rights are protected in the implementation of Indonesia's halal product assurance system.
- 2. To examine the challenges businesses face in obtaining and maintaining halal certification, particularly for SMEs.

⁴ Khasanah, M. (2024). The impact of habit and halal involvement on the intention to purchase international branded food: evidence from Indonesia. Journal of Islamic Marketing.



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- To evaluate the role of regulatory bodies and enforcement mechanisms in 3. ensuring the effectiveness of halal product guarantees.
- 4. To assess consumer perceptions and awareness regarding halal certification and the reliability of halal guarantees in Indonesia.
- 5. To explore the role of digital transformation in improving halal certification processes and consumer transparency.

The findings of this study will have significant implications for regulators, businesses, and consumers. For policymakers and regulatory bodies, the research provides insights into the strengths and weaknesses of current halal guarantee enforcement, helping refine future policies implementation strategies. For businesses, particularly SMEs, the study highlights the challenges and opportunities in halal certification compliance, offering recommendations to ease regulatory burdens while maintaining market competitiveness.

For consumers, this study aims to enhance awareness of their rights regarding halal product guarantees, empowering them to make informed purchasing decisions. The research also contributes to the broader discourse on Islamic consumer protection, emphasizing the need for a balanced and transparent regulatory framework that upholds both religious integrity and economic sustainability.

By addressing current research gaps, this study provides a timely and relevant analysis of the evolving landscape of halal product guarantees in Indonesia, ensuring that consumer rights, business adaptability, and regulatory effectiveness are well-aligned in the country's growing halal economy.

RESEARCH METHOD

Research Type

This study employs a qualitative research approach with a descriptiveanalytical design. The research aims to explore and analyze consumer rights and halal product guarantees in Indonesia by interpreting the





experiences, perspectives, and regulatory frameworks relevant to this topic. The qualitative method is chosen to provide an in-depth understanding of consumer protection mechanisms and the implementation of halal certification in the country.

Data Sources

The study relies on two types of data sources: primary and secondary data. Primary data is collected through in-depth interviews with key stakeholders, including representatives from government agencies such as the Indonesian Ulema Council (MUI) and the Halal Product Assurance Agency (BPJPH), business actors involved in halal certification processes, consumer protection organizations, and individual consumers. Secondary data is gathered from official documents, academic literature, laws and regulations, reports from relevant institutions, and previous studies concerning consumer rights and halal product quarantees.

Data Collection Techniques

The data collection process employs multiple techniques to ensure comprehensive and reliable findings. Semi-structured interviews are conducted with key informants to explore their insights on the current halal certification landscape and its impact on consumer rights. Additionally, document analysis is carried out by reviewing legal frameworks, official reports, and policy documents to provide contextual and historical understanding. Observational methods are also applied when necessary to gain practical insights into halal certification processes and consumer experiences.

Data Analysis Methods

The collected data is analyzed using thematic analysis, where patterns and key themes are identified, coded, and categorized. The data is





systematically reviewed to extract relevant narratives regarding the effectiveness of halal product guarantees and consumer rights protection in Indonesia. Triangulation is used to enhance the validity and reliability of the findings by comparing data from different sources. Furthermore, qualitative content analysis is applied to examine the regulatory texts and institutional policies, allowing a deeper understanding of their implications on consumer protection and halal assurance.

By employing this research methodology, the study aims to contribute valuable insights into the evolving landscape of consumer rights and halal product guarantees in Indonesia, offering recommendations for policy improvement and regulatory enforcement.

RESEARCH OUTCOME AND DISCUSSION

The analysis of consumer rights and halal product guarantees in Indonesia reveals a complex and evolving landscape influenced by regulatory frameworks, market dynamics, and consumer expectations. The enforcement of halal certification, as mandated by Law No. 33 of 2014 concerning Halal Product Guarantee, has significantly shaped the business environment, requiring producers and distributors to comply with stringent certification processes. This regulatory shift reflects the government's commitment to protecting Muslim consumers while also positioning Indonesia as a global leader in the halal industry. However, the implementation of this law has not been without challenges, as businesses, particularly small and medium enterprises (SMEs), face financial and administrative burdens in obtaining halal certification. This dynamic raises concerns regarding the balance between regulatory enforcement and economic inclusivity, as many smaller producers struggle to navigate the bureaucratic requirements.

From a consumer rights perspective, the mandatory halal certification system has strengthened consumer confidence, ensuring that products labeled





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as halal meet the required religious and safety standards. This legal framework aligns with the fundamental consumer rights outlined in Law No. 8 of 1999 on Consumer Protection, which guarantees the right to accurate product information and the right to safety. The synergy between halal certification and consumer rights law reinforces legal certainty for Muslim consumers, offering a clearer distinction between halal and non-halal products in the market. However, despite these regulatory advancements, gaps remain in enforcement and public awareness. Instances of fraudulent halal labeling and inconsistent supervision by authorities indicate that effective implementation still requires improvements. The ability of regulatory bodies such as the Halal Product Assurance Agency (BPJPH) and the Indonesian Ulema Council (MUI) to monitor compliance and penalize violations plays a crucial role in maintaining consumer trust.

The economic implications of mandatory halal certification extend beyond consumer protection and religious adherence, influencing Indonesia's positioning in the global halal market. As the world's largest Muslim-majority country, Indonesia has the potential to become a major player in the halal industry, with growing demand for certified halal products both domestically and internationally. The government's initiative to streamline halal certification processes, such as the digitalization of applications and increased collaboration with business sectors, indicates a progressive effort to enhance efficiency and accessibility. Nonetheless, structural challenges persist, particularly in ensuring that certification costs remain affordable for all business scales. The tension between maintaining rigorous halal standards and facilitating business growth remains a critical issue that policymakers must address to prevent market exclusion.

Consumer awareness and education are essential components in the effectiveness of halal certification and consumer rights enforcement. Despite the increasing accessibility of halal-certified products, a significant portion of



the population remains unaware of the certification process, its significance, and their rights as consumers. Efforts to bridge this knowledge gap through public campaigns, educational programs, and transparent labeling practices could further empower consumers in making informed purchasing decisions. The role of digital platforms in disseminating halal product information also emerges as an important factor, as e-commerce continues to reshape consumer behavior. The integration of halal certification databases with online shopping platforms could enhance transparency and accessibility, reinforcing consumer confidence in digital transactions.

In analyzing the intersection of consumer rights and halal product guarantees, it is evident that Indonesia's regulatory landscape is undergoing a transformation that seeks to balance religious obligations, legal protections, and economic growth. The strengthening of halal certification mechanisms and consumer protection laws reflects a broader national agenda to standardize and regulate the halal industry in a manner that benefits both businesses and consumers. However, the extent to which these measures succeed in achieving their intended goals depends on the effectiveness of regulatory enforcement, the adaptability of businesses, and the level of consumer awareness. Addressing these challenges requires a multi-stakeholder approach, involving government agencies, industry players, and consumer advocacy groups to create a sustainable and inclusive halal ecosystem.

As Indonesia continues to refine its halal product guarantee framework, lessons can be drawn from global best practices in countries with wellestablished halal certification systems. Comparative studies and international collaborations could provide valuable insights into policy improvements and enforcement strategies, ensuring that Indonesia remains competitive in the global halal market. Ultimately, the success of Indonesia's halal product guarantee system will be determined by its ability to maintain regulatory



integrity while fostering an inclusive and competitive business environment that upholds consumer rights and religious compliance.

Regulatory Framework and Its Impact on Consumer Rights

The implementation of halal product guarantees in Indonesia is fundamentally governed by Law No. 33 of 2014 on Halal Product Assurance, which mandates halal certification for products circulating in the country. This law was established to provide legal certainty for Muslim consumers while also ensuring that businesses comply with Islamic dietary laws. The government, through the Halal Product Assurance Agency (BPJPH), oversees the certification process, which requires businesses to undergo rigorous inspections and verification by the Indonesian Ulema Council (MUI) before being granted the halal label. The integration of this law with Law No. 8 of 1999 on Consumer Protection reinforces consumer rights by guaranteeing access to reliable product information, safety standards, and ethical business practices.

Despite the strong legal framework, challenges remain implementation. Many businesses, particularly small and medium enterprises (SMEs), struggle with the certification process due to high costs, lengthy procedures, and bureaucratic inefficiencies. The burden of compliance raises concerns regarding market accessibility and economic equity, as large corporations with greater financial resources can easily meet certification requirements, while smaller producers risk being excluded from the formal market. This dynamic could potentially limit consumer choices and create disparities in halal product availability, particularly in rural and underdeveloped regions where SMEs play a crucial role in the local economy.

Table 1, Challenge-Impact Analysis Table that categorizes the key challenges and their corresponding implications

Aspect	Challenges	Implications
Legal	Strong, but implementation	The intended benefits may not





Aspect	Challenges	Implications
Framework	faces challenges	be fully realized due to enforcement difficulties
SME Struggles	High certification costs, lengthy procedures, bureaucratic inefficiencies	Many small businesses may fail to obtain certification, limiting their market participation
Compliance Burden	Large corporations have financial advantages in meeting certification requirements	Smaller producers risk exclusion from the formal market, reducing competition
Market Accessibility & Equity	SMEs face greater barriers compared to large businesses	Economic disparities may widen, affecting fair market participation
Consumer Impact	Limited choices due to exclusion of small producers	Potential scarcity of certified halal products in rural and underdeveloped areas
Regional Disparities	SMEs are crucial in rural economies but struggle with compliance	Limited halal product availability may affect local consumers and businesses

Furthermore, the effectiveness of enforcement mechanisms remains questionable, as reports of fraudulent halal labeling and counterfeit certification persist. The lack of adequate supervision and auditing capacity weakens the reliability of the halal certification system, undermining consumer trust. Some businesses continue to operate without proper certification, exploiting regulatory loopholes and consumer ignorance. This issue highlights the necessity of strengthening monitoring mechanisms through stricter enforcement policies, transparent auditing processes, and severe penalties for noncompliance.

The interplay between consumer rights and halal product assurance also raises concerns about transparency in the certification process. Consumers often lack access to clear and detailed information regarding the halal status of products, particularly for imported goods. While efforts have been made to create digital databases and online verification systems, their accessibility remains limited due to technological gaps and low digital literacy among certain





consumer groups. Enhancing transparency through consumer education programs and digital platforms is essential to ensure that consumers can independently verify the halal integrity of products before making purchasing decisions.

Lastly, while Indonesia aspires to become a global halal hub, the harmonization of local halal regulations with international standards remains a work in progress. The government has initiated collaborations with various international halal certification bodies, but discrepancies in certification standards across countries pose challenges for trade and export opportunities. Aligning Indonesia's halal certification with global standards will not only protect domestic consumers but also enhance the competitiveness of Indonesian halal products in the international market.

Economic Implications of Mandatory Halal Certification

The economic impact of mandatory halal certification is significant, affecting both producers and consumers. For businesses, obtaining halal certification entails financial and administrative costs that vary depending on the scale and nature of the business. While large multinational corporations can easily absorb these costs, many SMEs face considerable difficulties in meeting certification requirements. The government has introduced subsidies and assistance programs to ease the burden on SMEs, but these initiatives are often insufficient and inconsistently distributed, leaving many small businesses vulnerable to exclusion from formal markets.

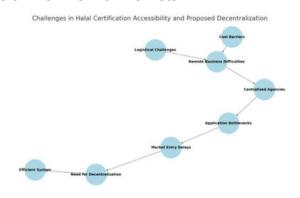






Figure 1, Challenges in halal certification accessibility and proposed decentralization

The diagram illustrates the interconnected barriers that complicate the halal certification process, particularly for businesses in remote areas. It highlights how centralized certification services create bottlenecks, delaying market entry and increasing the need for decentralized, regionally accessible certification services. Below is a detailed breakdown of each component:

Cost Barriers

- The high cost of halal certification poses a significant challenge for small and medium enterprises (SMEs).
- Many small businesses struggle to afford the necessary fees, leading to exclusion from the formal market.

2. Logistical Challenges

- The geographic distribution of certification facilities is highly uneven.
- Most inspection agencies are concentrated in major cities, making it difficult for businesses in rural or remote areas to access these services.

3. Remote Business Difficulties

- Businesses operating outside urban centers face additional logistical and financial burdens in obtaining certification.
- Travel costs and long processing times discourage them from pursuing halal certification, further reducing market competitiveness.

4. Centralized Agencies

- The concentration of halal certification bodies in urban areas creates a systemic inefficiency.
- Limited staff and bureaucratic delays prevent agencies from effectively processing a large number of certification applications.

5. Application Bottlenecks

The centralization of halal certification approval creates long waiting times for businesses.





Limited resources at certification agencies lead to delays in inspections and document verification.

6. Market Entry Delays

- Slow processing of halal certification prevents businesses from legally entering the market.
- Delayed approval discourages investment in halal-compliant production, leading to stagnation in industry growth.

Need for Decentralization

- A solution to these problems is the regional distribution of halal certification centers.
- Establishing local certification offices in multiple provinces or districts would reduce travel burdens, streamline application processes, and make certification more accessible.

8. Efficient System

- By decentralizing halal certification services, the process becomes more inclusive and efficient.
- This would lead to faster approvals, lower costs for businesses, and greater market participation, ultimately enhancing consumer confidence in halal-certified products.

In addition to cost barriers, logistical challenges further complicate the certification process. Businesses operating in remote areas encounter difficulties in accessing halal certification facilities, as inspection agencies are often concentrated in major cities. The centralized nature of certification services creates bottlenecks in the application and approval process, delaying market entry for many businesses. This issue underscores the need for decentralized and regionally accessible halal certification services to ensure a more inclusive and efficient system.

From a consumer perspective, the economic impact of mandatory halal certification is reflected in price fluctuations and market competitiveness. The





additional costs incurred by businesses for certification are often passed down to consumers, leading to higher retail prices for halal-certified products. While this price increase is justifiable in terms of quality assurance, it may reduce affordability and accessibility, particularly for low-income consumers. This creates a paradox where the policy intended to protect consumers inadvertently limits their purchasing power and access to halal products.

Despite these challenges, mandatory halal certification also presents economic opportunities, particularly in the global halal market. Indonesia, as the country with the world's largest Muslim population, holds enormous potential in the export of halal food, cosmetics, pharmaceuticals, and other consumer goods. The government has actively promoted Indonesia's halal industry through international trade agreements, exhibitions, and bilateral partnerships, aiming to position the country as a key player in the global halal economy. However, to fully capitalize on this opportunity, Indonesia must enhance the efficiency, credibility, and international recognition of its halal certification system.

Lastly, while the economic advantages of halal certification are evident, its success depends on policy adaptability and stakeholder collaboration. Ensuring that halal certification remains inclusive and affordable, while maintaining high regulatory standards, requires continuous dialogue between the government, business sectors, religious authorities, and consumer advocacy groups. This multi-stakeholder approach will be essential in creating a halal certification framework that balances economic growth with consumer protection.

CONCLUSION

The evolving landscape of consumer rights and halal product guarantees in Indonesia reflects a complex interplay between regulatory enforcement, economic implications, and consumer awareness. While the mandatory halal





certification system aims to protect Muslim consumers and enhance Indonesia's position in the global halal market, challenges persist in its implementation, particularly regarding accessibility, affordability, and enforcement mechanisms. The financial and bureaucratic burdens faced by small and medium enterprises (SMEs) raise concerns about market inclusivity, while gaps in consumer awareness and regulatory supervision leave room for fraudulent practices. Despite these challenges, Indonesia has made significant progress in strengthening its halal certification framework, with digital innovations and international collaborations enhancing its credibility and efficiency. Moving forward, the success of halal product assurance depends on a balanced approach that prioritizes consumer protection, supports business sustainability, and ensures robust enforcement, ultimately fostering a transparent, inclusive, and globally competitive halal ecosystem.

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Acknowledgment

We extend our deepest gratitude to all individuals and institutions that contributed to this study, Navigating the New Landscape: Consumer Rights and Halal Product Guarantees in Indonesia. We sincerely appreciate the support of academic and research institutions, regulatory bodies, industry stakeholders, and consumer advocacy organizations for their valuable insights. Special thanks go to survey respondents and participants for sharing their perspectives. Lastly, interview acknowledge the encouragement and feedback from our colleagues, mentors, and families, whose support has been instrumental in shaping this research. Any shortcomings remain our responsibility.

Conflicting Interest Statement

The authors declare no conflicts of interest related to the research, authorship, or publication of this article, Navigating the New Landscape: Consumer Rights and Halal Product Guarantees in Indonesia. This study was conducted independently, without any financial, institutional, or personal affiliations that could influence the objectivity of the findings. The research is based on publicly available data, legal frameworks, and consumer protection policies, ensuring an impartial analysis of consumer rights and halal product guarantees in Indonesia. Any potential biases have been mitigated through rigorous academic scrutiny and adherence to ethical research standards.

Publishing Ethical and Originality Statement

This manuscript, "Navigating the New Landscape: Consumer Rights and Halal Product Guarantees in Indonesia," adheres to the highest ethical standards in academic publishing. The authors confirm that the research





presented is original, has not been published elsewhere, and is not under consideration for publication in any other journal. All data, sources, and references are properly cited to ensure academic integrity and transparency. Any potential conflicts of interest have been disclosed, and the study complies with ethical guidelines relevant to research on consumer rights and halal product regulations.

Furthermore, this manuscript has been prepared in accordance with ethical principles, ensuring that no plagiarism, falsification, or fabrication of data has occurred. The authors take full responsibility for the accuracy of the findings and interpretations presented. Any use of third-party materials is properly acknowledged, and necessary permissions have been obtained where applicable. The study aims to contribute valuable insights to the academic and regulatory discourse on halal product guarantees in Indonesia while upholding rigorous scholarly and ethical standards.

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