

# IMPROVING THE QUALITY OF MSME PRODUCTS THROUGH EMPOWERMENT AND ASSISTANCE WITH FREE HALAL CERTIFICATION (SEHATI) IN PADUKUHAN NGALANG-ALANGSARI

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**Abstract** - This article will explain the urgency of empowering and assisting halal certification for Padukuhan Ngalang-alangsari MSMEs in order to improve the quality of halal products. The low understanding of product quality and the halal product certification process means that business actors are not interested in processing their products to guarantee consumer rights as required by the Government. To answer these problems, empirical research based on CBR (Community Based Research) uses the ABCD (Asset Based Community Development) approach which examines problems and solutions originating from optimizing the potential, strength and energy in the Ngalang-ngalangsari. The research results are formulated in 3 halal certification empowerment programs namely preparation, data collection and counseling. Preparations were carried out by observing community leaders and MSME representatives to identify their potential and emerging problems. After getting the mapping, the next study was to collect data on MSMEs throughout Padukuhan. Finally, counseling is carried out by providing material and explanations to MSME actors regarding the importance of halal certification, the documents needed and the halal certification scheme. Before the activity finished, MSME actors are given a satisfaction survey sheet. As a result, MSME actors have awareness and understanding of the importance of halal certificates.

**Keywords:** Halal Certification, MSME, and Community Empowerment.

## 1. INTRODUCTION

The importance of halal product certification has been a commitment of the Government which was recorded since 1976 through the Ministry of Health, and was strengthened again through the MUI's work in 1989. In the Decree of the Minister of Health of the Republic of Indonesia Number 280/Men.Kes/Per/XI/76 it is stated that all food and drink containing pork or its derivatives must be clearly labeled "CONTAINS PORK." Ten years later, on August 12, 1985, the label changed from "CONTAINING PORK" to "HALAL". This change was stipulated through a Joint Decree of the Minister of Health and Minister of Religion No.42/Men.Kes/SKB/VIII/1985 and No. 68 of 1985 concerning Inclusion of Halal Writing on Food Labels (Faridah, 2019).

Halal certification is an acknowledgment of the halalness of a product issued by the Halal Product Guarantee Agency (BPJH) with reference to a written halal fatwa issued by the Indonesian Ulema Council (Indonesia, 2019). The growing middle class population in Indonesia, especially Muslims who make up 87% of the total population, is a huge market potential. Over time, several manufacturers have directed specific marketing to reach middle-class Muslims, and they strictly guarantee the halal product through halal certification (Warto & Samsuri, 2020). However, Indonesia, which has a majority Muslim population, believes that the food and drinks circulating are definitely halal. Halal criteria are not only the presence or absence of pork and other prohibited ingredients, the raw materials and additives used are also considered whether they fulfill the halal element or not (Muklis & Sari, 2020). Halal food and beverages are determined from raw materials, process suitability, and transportation from the manufacturing stage to the consumer (Maghfirotn & dkk, 2022). Of the many studies regarding community empowerment and MSMEs in order to improve product quality and halal certificates, there are 2 variants of studies that can be put forward. First, empowering communities and MSMEs for halal-certified products through increasing understanding of literacy (Kartina, Nurjannah, & Nurmaisah, 2020), management (Fauji & dkk, 022) and mentoring (Qomaro, Hammam, & Nasik, 2019). Second, halal certification through sector-based community empowerment (Sari & dkk, 2023). Indonesian people's understanding of halal certification is considered to be still lacking in the world of industry and the global halal market (Akim & dkk, 2018).

Gunungkidul, specifically Planjan Village, is one of the areas in DIY district that has tourism business potential with various specialty food products. Planjan Subdistrict has a total population of 6350 people, with details of 3150 men and 3200 women. The majority of livelihoods in Planjan Village are traders and farmers. Geographically, Planjan Village is close to the south coast such as Baron Beach, Kukup Beach, Along Beach and many others. The Southern Cross Road which passes through Planjan Village causes many beach tourists to pass through this area to visit the southern beaches.

The Planjan sub-district has several hamlets, one of which is Ngalang-

alangsari. According to observation and interview data, there are many MSMEs in the Ngalang-alangsari Padukuhan. Among them are food products such as arem-arem, spring rolls, buns, salted tofu, and many others. The average food production by SMEs in the area is the same, but they have different marketing targets. The food products produced are mostly marketed on the coast, including Baron Beach, Kukup Beach, Panjang Beach, Drini Beach, Indrayanti Beach, and many others along the south coast. From various studies, no one has examined the potential of Ngalang-alangsari village, especially community empowerment regarding halal packaging and products.

Meanwhile, based on the information obtained, not a single MSME actor in Padukuhan Ngalang-alangsari has carried out halal certification for the products they own. Even though the Head of the Ministry of Religion's Halal Product Assurance Organizing Agency (BPJPH) Muhammad Aqil Irham revealed that there are three product groups that must have halal certificates before October 17, 2024. The three products include food and beverages, food additives and auxiliary ingredients in food and beverage products, as well as slaughter products and slaughter services. If it is found that there are products circulating in the community and are not yet halal certified, they will be subject to sanctions. Sanctions will be given in stages, starting from written warnings, administrative fines, to withdrawing goods that have been in circulation. This is in accordance with the regulations contained in PP No. 39 of 2021 (Indah, 2023)

The Indonesian government has made various efforts to increase halal certification for Micro, Small and Medium Enterprises (MSMEs). One of the actions taken is through collaboration between the Ministry of Religion and BPJH (Halal Product Guarantee Management Agency) in introducing the Free Halal Certification (SEHATI) program for MSMEs (Pardiansyah, Abduh, & Najmudin, 2022). As explained by the Minister of Religion, Yaqut Cholil Qoumas, the objectives of the Free Halal Certificate (SEHATI) program include: increasing awareness of MSME actors regarding the importance of having halal certificates and labels to accelerate business development, increasing public awareness about the importance of consuming halal products, strengthening quality halal products produced by MSME players, increasing the number of MSME players who meet halal standards, and increasing the added value and competitiveness of MSME products in local and global markets (Kurniawan, 2021). The more MSME players carry out halal certification for their products, the quality of the products produced will be in accordance with government standards and legality and recognized by the Halal Product Guarantee Organizing Agency (Moerad & dkk, 2023).

Given these problems, it is necessary to study the urgency of halal product certification for MSME business actors in the Ngalang-alangsari Padukuhan. Therefore, the purpose of this study is to increase people's understanding of the importance of halal certificates for MSMEs and explain the mechanism for Free Halal Certification (SEHATI) for MSME actors.

## **2. METHOD**

This community service activity uses the empirical *Community Based Research*

(CBR) method with an *Asset Based Community Development approach* (A B C D). *Community Based Research* (CBR) is a research model that places the main focus on community needs and integrates various components of the community to be involved in the research process with the aim of overcoming challenges that arise in the community environment (Sa'adah & dkk, 2022). Meanwhile, *Asset Based Community Development* (ABCD) is an approach applied to community empowerment that focuses on discovering and exploiting existing potentials as a source of strength in developing the community. Through sustainable ABCD development, a society that has economic independence will be formed so that it will have an impact on increasing welfare (Yuwana, 2022). In this community service, the potential and potential assets that exist in the Ngalang-alangsari Padukuhan are the many MSME actors engaged in the culinary field, such as dumplings, arem-arem, cilok, somay, spring rolls, salted tofu and others.

This activity was carried out on July 31 2023 in Padukuhan Ngalang-alangsari, Planjan Village, Kapanewon Saptosari, Gunungkidul Regency, DI Yogyakarta Province. Activity participants are MSMEs in Padukuhan Ngalang-alangsari. There are 25 MSME actors, consisting of culinary business actors who are in great demand by visitors from outside the region. The activities were carried out for a day with various materials, including the definition of halal product guarantees and halal certificates, legal basis, Free Halal Certification (SEHATI) implementation scheme and required documents.

This activity is carried out in three stages. *First*, the preparation stage, which is to search for information about the condition of MSMEs in the field. Before the activity was held, the team conducted a survey of traders selling on the nearest beach. Generally, MSME actors do not understand deeply about the flow of applying for halal certification even though they know how important halal labeling is for their products. *Second*, SMEs data collection in the field. The team collected MSME data one by one in the field which contained business profile data. The data will be used for documents for submitting halal certification.

*Third*, the halal certification outreach stage. The team worked closely with the UIN Sunan Kalijaga Halal Center to deliver material on halal certification. The presenter explained the importance of halal certification for owned products and the flow of applying for Free Halal Certification (SEHATI). The team will assist in the process of collecting Free Halal Certification (SEHATI) documents, while registration will be assisted by the Halal Center of UIN Sunan Kalijaga Yogyakarta. At the end of the counseling, participants were given a satisfaction survey form to find out the enthusiasm of the participants in participating in the activity.

### **3. RESULTS AND DISCUSSION**

This Community Service activity is a form of assistance from the PTKIN Collaborative KKN team and the Halal Center of UIN Sunan Kalijaga to convey the importance of halal certificates and the existence of the Free Halal Certificate (SEHATI) program for MSMEs in Padukuhan Ngalang-alangsari, Planjan Village, Saptosari District, Gunungkidul Regency. Many factors have been found that cause

MSME products not to be registered with halal certification, including a lack of insight and awareness among MSME actors about the importance of halal certification for their products, a lack of knowledge regarding the obligation of halal certification for food and beverage products, the absence of product names and fixed packaging, used, and the lack of understanding of MSME actors in using internet services to register for halal certification.

Seeing the many obstacles that occur, it is necessary to empower the community in the form of education about halal certification in order to improve product quality and be able to develop rapidly. Community empowerment can be carried out through the ABCD approach which assumes that problems that occur in society can only be resolved by the community itself (Sajiwo & dkk, 2023). The ABCD approach begins with observation and carrying out data collection first regarding existing assets in the community so that later they can become resources that can be utilized in efforts to empower the community. Then education was carried out to the community, especially MSMEs.

In general, the aim of holding this activity is to provide an understanding of the importance of halal certification for MSMEs in Gunungkidul Regency, especially in Padukuhan Ngalang-alangsari. Through counseling and assistance, it is hoped that MSMEs can produce processed products that meet established halal standards. Participants must fully understand that halal certification is very important for MSME products sold which will increase consumer confidence.

#### **a. Preparation**

Preparations were carried out by observing community leaders and MSME representatives to identify their potential and emerging problems. Observations were made to the public regarding the condition of existing SMEs. The observation results show that not a single MSME in the Ngalang-alangsari Padukuhan has halal certification for its products. Then we continued with interviews with several MSMEs to find out the potential and reasons for not having halal certificates for their products. Most of the reasons that arise include a lack of understanding by MSME actors regarding the halal certification program and products that do not have fixed packaging. By interviewing and building initial communication, MSME players will know the importance of halal certification for their products.

In addition, at this stage there is also the creation of a TOR ( *Term of Reference* ) which contains the extension concept to be implemented. The concept will later be discussed with local community leaders or representatives and presenters for approval. And the final stage is finding and contacting the right sources. This counseling is in collaboration with the Halal Center of UIN Sunan Kalijaga. So the presenters come from the Halal Center institution UIN Sunan Kalijaga.

#### **b. Data collection**

Before the activity is carried out, participants are first given a form regarding the business profile they are running. The form that must be filled in consists of name, NIK, complete address, postal code, place & date of birth, Whatsapp number, active email, business name, product name, business capital, production capacity

per year, business land area, ID card photo, number NIB, packaging used, product composition, and manufacturing process starting from material preparation to the marketing process. The ongoing Free Halal Certification Program (SEHATI) now focuses on the food and beverage sector. The following data were obtained for food and beverage MSMEs in Padukuhan Ngalang-alangsari.

**Table 1.** Data on UMKM Padukuhan Ngalang-alangsari

<b>Name of the owner</b>	<b>Product</b>
Sularni	Arem-arem, Lumpia, Salted Tofu, and Bakpao
Suwarti	Fried food
Ika	Cilok and Siomay
Jumiran	Siomay and Bakwan Kawi
Mr Sukyo	Lumpia and Arem-arem
Puryanti	Arem-arem, Bakpao, and Lumpia
Jumani	Arem-arem and Lumpia
Kasdi	Arem-arem and Lumpia
Wardiyo	Arem-arem, Lumpia, Salted Tofu and Bakpao
Subarno	Cilok and Siomay
Sulica	Ice Tea and Orange Ice
Parjono	Catfish and Tilapia
Sugiyo	Bakpao, Arem-arem, and Lumpia
Sumiyem	Arem-arem, Lumpia and Salted Tofu
Rukinem	Lumpia, Arem-arem, Lotis, Bakpao and Salted Tofu
Risa	Cilok and Siomay
Ngatijan	Arem-arem, Lumpia, and Bakpao
Sumanto	Lumpia, Bakpao, Arem-arem and Salted Tofu
Sartiyem	Lumpia, Bakpao, Arem-arem and Salted Tofu

Turiman	Bakpao, Arem-arem and Lumpia
Kusumawati	Bakwan Kawi, Seaweed Peyek and Shrimp Peyek
Wash it	Cilok and Siomay
Trinity	Fried food
Jumingan	Bakpao, Arem-arem and Lumpia
Sudarmiyati	Arem-arem and Lumpia

Table 1 shows that several participants have the same MSME products. However, after further investigation, they have different target markets. From all the MSME data in the Ngalang-alangsari Padukuhan, none of them have halal certificates and labels on their products. They have never thought about taking care of it because their focus on selling is profit. Through halal certification outreach activities, it is hoped that SMEs can understand the importance of guaranteeing halal products in order to increase profits and also consumer confidence.

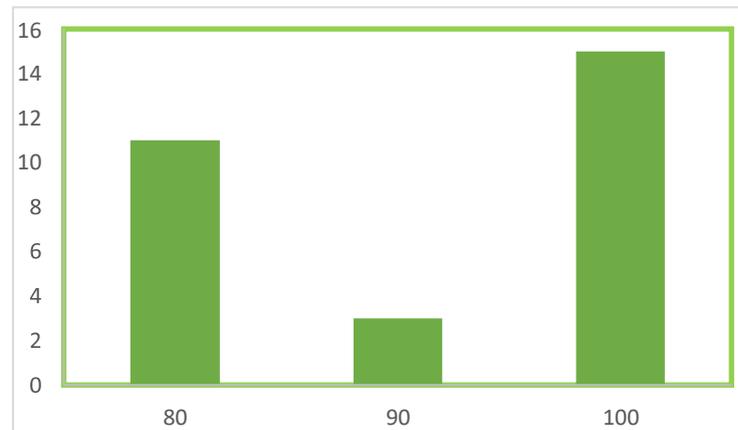
### c. Counseling

The implementation of this community service activity is carried out by providing material related to the definition of halal certification, the legal basis for halal certification, the importance of halal certification, the halal certification scheme and the documents needed to process halal certification. Documents required to apply for halal certification. These include: (1) business actor data containing Business Identification Number (NIB) and halal supervisor, (2) name and type of product, (3) List of products and materials used consisting of raw materials, additional materials and auxiliary materials, (3) product processing processes starting from purchasing, receiving, storing materials used, processing, packaging, storing finished products, distribution, (4) halal guarantee system documents prepared, implemented and maintained by companies holding halal certificates to maintain the continuity of the halal production process .

Participants were also explained how the Free Halal Certification (SEHATI) implementation scheme works. The scheme for implementing Free Halal Certification (SEHATI) includes (1) making an NIB, (2) registering for SiHalal, (3) submitting an application, (4) companion carrying out a verification, (5) verified by BPJPH, (6) MUI Fatwa Session, (7) ) halal decree , (8) BPJH, (9) halal certificate. Participants who successfully obtain a halal certificate will get many benefits, including: (1) business actors avoid sanctions in the form of business deactivation, (2) product quality is guaranteed, (3) increase trust and provide peace of mind for consumers, (4) have Unique Selling Point (high selling value), and (5) reach a wider market.

MSME actors are very enthusiastic as shown by the large number of participants who came during counseling and the number of questions asked. For example, one of the participants asked why the food that was included in the criteria

for this program was non-meat. The speaker explained that meat processing has high risks and requires many stages to obtain a halal certificate. Starting from the slaughter of chickens being required to comply with Islamic law to the ingredients used being required to have a halal certificate to become a ready-to-consume product.



**Figure 1.** Results of participant assessments regarding halal certification education

After being given the material, participants were given a satisfaction survey of the counseling that had been carried out. Participants were directed to fill out a form with a value range of 1-100. Figure 1 shows that the majority of participants gave a rating of 100. This means that many participants felt helped by this counseling. The lowest rating given by participants was 80 by 11 people, 90 by 3 people and 100 by 15 people.

Apart from the assessment with a score range of 1-100, participants are also directed to fill in responses and suggestions regarding halal certification outreach activities. Several participants gave good responses to this activity. For example, participant A gave the response "Very helpful, hopefully in the future it can increase the sales value", participant B gave the response "The program is good and really helps business people", participant C gave the response "I am very happy with this counseling, I hope it can be useful for us and Ngalang-alangsari Padukuhan, where the majority of residents are MSMEs," and there were many other responses from other participants that could add motivation. Thus, this counseling activity can provide information to the Ngalang-alangsari Padukuhan UMKM actors regarding the documents that must be prepared and the scheme for applying for halal certification.

#### **4. CONCLUSION**

Assistance is one of the steps taken to improve the quality of UMKM products in the Ngalang-alangsari Padukuhan. Not a single MSME product in Padukuhan Ngalang-alangsari has a halal certificate. This is due to a lack of understanding by MSME players regarding the importance of halal certificates. This assistance consists of 3 stages, including preparation, data collection and counseling. This halal certification counseling activity has been carried out well at the Ngalang-alangsari Padukuhan center. This is proven by the enthusiasm of the participants in participating in the extension activities from start to finish. Judging from

the satisfaction survey given, most participants gave a score of 100 from a range of 1-100. This means that participants have awareness and understanding of the importance of halal certificates for MSME players.

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