

MORAL RESPONSIBILITY DOING BUSINESS IN THE FIELD OF HALAL PRODUCT ASSURANCE

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Abstract: *In the past two decades, halal lifestyle has evolved from a muslim community concern into a global trend, influencing consumption patterns across regions and religions. The rise of global awareness of clean, safe, and ethical products has driven significant expansion of the halal industry. The Global Islamic Economy Report 2024/2025 reports that global public spending on halal food and beverages reached US\$1.43 trillion in 2023 and it is projected to increase to US\$1.94 trillion by 2028. This situation has encouraged many countries, including those with minority muslim populations, to take on roles as producers in the global halal supply chain. This study aims to analyze the dynamics of the global halal lifestyle, its impact on the halal product industry in Indonesia, and the importance of ethics and moral responsibility in conducting halal product business. This study employed a qualitative approach through literature review and in-depth interviews with relevant stakeholders. Data were analyzed descriptively and interpretively to understand phenomenon comprehensively. The results showed that halal lifestyle is developing as an indicator of product quality, safety, and sustainability. Nevertheless, the rapid growth of the halal industry also presents challenges, such as low compliance with the halal product assurance system, the practice of halal labeling without official certification, and a shift in values from religious aspects to solely profit-oriented. This study confirms that halal product business is not solely oriented towards market opportunities but also carries a moral responsibility to ensure product halalness in a transparent and accountable manner. Therefore, strengthening regulations, increasing halal literacy, and internalizing Islamic business ethics values are needed to maintain the integrity of the halal industry amidst globalization.*

Keywords: halal lifestyle, global trends, halal product business, moral responsibility, halal products

1. Introduction

Halal lifestyle today has already become a global trend in society. The demand for halal products comes not only from Muslim countries but also from countries with predominantly non-Muslim populations. The increasing halal lifestyle of global society significantly influences the demand for global halal products (Febriyanni, 2023). The Global Islamic Economy Report 2024/25 reports that in 2023, more than 2 billion Muslims worldwide spent approximately US\$1.43 trillion on food and beverages. Meanwhile, in 2028, this figure is predicted to increase by 6.2% and reach US\$1.94 trillion (SGIE Report 2024/25).

Many countries around the world are focusing on providing halal products and continue to make efforts to comply with halal product regulations in Muslim-majority countries. Indonesia is one of the countries targeted as a producer of halal products for cooperation. Indonesia has a Muslim market that continues to grow, with a large Muslim population (Marnita, 2024). This situation encourages many countries to cooperate with Indonesia to take advantage of market opportunities. This is in line with cooperation data between BPJPH and Foreign Halal Institutions (LHLN). BPJPH announced at the beginning of 2026 that there was cooperation with 99 LHLNs from 36 countries (BPJPH, 2026).

Products labeled as halal are considered to have better quality than products that are not halal-certified. A halal certificate serves as authentic proof that the ingredients used, product processing, packaging, and distribution do not contain prohibited substances in accordance with Islamic law and have fulfilled a clean process free from impurities (Supardi et al., 2025). The development of the global halal economy has shown significant transformation over the last two decades. Previously, the halal concept was identical to religious obligations for Muslims; today, it has developed into a symbol of quality, safety, cleanliness, and sustainability that is accepted by communities across religions and countries (Wilson & Liu, 2010). This phenomenon has given rise to the term halal lifestyle, which includes food, beverages, cosmetics, pharmaceuticals, finance, tourism, and halal logistics. According to Thomson Reuters and Dinar Standard (2024), the halal food sector is the largest contributor to the global halal economy, with consumption reaching US\$1.43 trillion in 2023. The size of this potential market has encouraged various non-Muslim countries such as Japan, South Korea, Thailand, Australia, and Brazil to develop the halal industry as part of their export strategies (Lever & Miele, 2012).

Indonesia, as the country with the largest Muslim population in the world, has a great opportunity to become a global halal production center. However, this potential must be balanced with the implementation of a strong and integrated halal product assurance system. The success of the halal industry is not only determined by its ability to fulfill market demand but also by its capability to maintain consumer trust in the halal products produced. Therefore, ethics in conducting business and producing halal products must be maintained. From an Islamic perspective, business activities are not solely economically profit-oriented but also contain moral and spiritual dimensions. Business actors have a responsibility to ensure that every product marketed fulfills halal and *thayyib* principles as commanded in the Qur'an. Therefore, moral responsibility must become the main foundation in the development of a sustainable halal industry.

Wilson and Liu (2010) emphasized that halal has evolved from a religious concept into a global marketing instrument that represents quality assurance and trust. Halal is not only understood as a religious matter but also as a quality standard accepted generally. A study by Iranmanesh et al. (2020) shows that increased consumer awareness of food safety and health has become the main driving factor behind the demand for halal products in various countries. The research found that non-Muslim consumers have also begun to associate halal products with higher standards of cleanliness and better supervision.

Islamic business ethics places the principles of honesty (*sidq*), trustworthiness, justice (*adl*), and responsibility (*mas'uliyah*) as the foundation of economic activities (Beekun, 1997). From this perspective, economic benefits must be achieved through means that are consistent with moral values and Sharia principles. According to Alserhan (2011), the success of halal businesses is highly dependent on the credibility of manufacturers in maintaining the integrity of the halal supply chain. When this integrity is compromised, consumer trust declines and affects the sustainability of the halal industry as a whole.

The Halal Product Assurance System (SJPH) is designed as a mechanism to ensure the consistency of halal products, starting from material standards to distribution to consumers. Tieman (2011) emphasized that the halal supply chain must ensure that no contamination with prohibited ingredients occurs throughout the production and distribution processes. In the Indonesian context, the implementation of SJPH becomes an important instrument in maintaining public trust in products circulating in the market.

This study uses a qualitative approach with library research methods and in-depth interviews. Secondary data were obtained from reputable national and international journal articles, global halal economy reports, regulations related to halal product assurance in Indonesia, and relevant academic books. Primary data were obtained through interviews with academics, halal auditors, business practitioners, and regulators involved in halal product assurance administration. Data analysis was carried out using a descriptive approach related to the development of a halal lifestyle and moral responsibility in halal business practices.

2. Result and Discussion

Halal literally means “permissible” in accordance with Islamic law. Halal can be interpreted as a standard regulated by Islamic law. Halal refers to something from which harmful elements are absent and which Allah SWT permits to be done. Haram is something that Allah SWT forbids to be done, and everyone who violates it will receive punishment in the Hereafter (Qardhawi, 2003). For goods that are absolutely halal, we are commanded by Allah to consume them, while for things that are forbidden, we are commanded to stay away from them. Halal food can increase the light of faith and contribute to the acceptance of prayers (Al Ghazali, 2002).

Halal certification is carried out to provide assurance of the halal status of products whose halalness is still doubtful. Each country in the world has its own mechanism for conducting halal certification. Halal certification in Malaysia is carried out by JAKIM (Department of Islamic Development Malaysia), which is the official government institution responsible for issuing halal certificates in Malaysia for food products, beverages, cosmetics, medicines, and other products. Malaysia has also established the Halal Development Center (HDC), which is tasked with promoting Malaysia as an international halal hub, including conducting testing to support halal standards and the development of the halal industry for global marketing purposes (Atiah, 2019). Halal certification in Australia is not administered by the government. Although the government recognizes halal product regulations, Australia does not have an official halal institution established by the government, such as JAKIM in Malaysia, that regulates halal affairs, including Sharia compliance in halal assurance. Halal certification is carried out by certified private halal certification bodies in accordance with Sharia standards and recognized by certain countries depending on the target halal product market (Naznii, 2023). Likewise, in Europe, halal certificates are issued by private institutions that implement Sharia standards recognized by Muslim countries or by specific countries that are the target export markets for halal products from their respective countries.

Halal certification in Indonesia has been administered since 2019 by the Halal Product Assurance Organizing Agency (BPJPH), which is a government institution established based on Law No. 33 of 2014 concerning Halal Product Assurance (JPH). BPJPH has authority in the implementation of JPH, including the issuance and revocation of halal certificates, guidance and supervision of JPH implementation, and cooperation related to JPH. In the implementation of halal certification, BPJPH requires business actors to implement the Halal Product Assurance System (SJPH). This system is an integrated system that is developed, implemented,

and maintained to regulate materials, production processes, products, human resources, and procedures in order to maintain the continuity of the halal product process (PPH). In the implementation of halal product assurance, food and beverage products delivered to consumers require a sound governance system and must be accountable (Ashari et al., 2021). A product is defined as the result of a production process that may take the form of goods or services. According to Law No. 33 of 2014 concerning Halal Product Assurance (JPH), products are defined as goods and services related to food, beverages, medicines, cosmetics, chemical products, biological products, genetic engineering products, consumer goods, slaughtering services, storage services, distribution services, processing services, packaging services, sales services, and presentation services.

The findings of the study show that halal certification has experienced a development in meaning. Consumers no longer consider halal solely as a symbol of religious adherence but also as an indicator of quality, food safety, and environmental sustainability. This phenomenon has driven the growth of the halal industry in various countries, most of which have non-Muslim majority populations. These countries utilize halal certification as a strategy to access the continuously growing global Muslim market. However, the findings also show that violations of commitments in the implementation of halal certification still occur. The rapid growth of the halal market has given rise to various ethical challenges. Some business actors utilize the halal label as a marketing instrument without having a strong commitment to the comprehensive fulfillment of halal standards.

Table 1. Findings Deviation Implementation Guarantee Halal Products by Business Actors

No	Findings	Violated provisions	Reason
1	Found products that have been certified halal but contain element animal pig	Halal product process requirements	The low compliance perpetrator business in implementation procedure in accordance system guarantee halal products
2	Use of halal labels for products that have not been have halal certificate	Provision inclusion of halal label	The low awareness perpetrator business For do halal certification
3	Placement product with packaging that has been halal labeled placed simultaneously with non-halal products	Provision separation between halal products , non-halal products	Lack of understanding perpetrator business about risk contamination halal products from non-halal products
4	Submission halal certification for products that are not need halal certified	System Guarantee Halal Products	There is an intention that is not Good from perpetrator business in do halal certification

The results show that the halal lifestyle is growing as an indicator of product quality, safety, and sustainability. Nevertheless, the rapid growth of the halal industry also presents challenges, such as low compliance among business actors in implementing procedures in accordance with the Halal Product Assurance System, low awareness among business actors

regarding halal certification, and a lack of understanding among business actors about the risk of contamination of halal products by non-halal products. There are other very interesting findings regarding halal certification applications submitted by business actors that are not based on the intention of providing halal product assurance for consumers.

The findings include chemical products that originate from synthetic chemical materials and do not have a critical halal point but are submitted for halal certification by business actors with the intention of having a more attractive promotional tool for customers. Business actors attempt to create differentiators from their competitors. Such behavior is inappropriate because it will disturb the balance and fairness of the trading system for the product type concerned. In this case, there is no function of the halal certificate that provides halal product assurance. The products concerned already have a clear halal status; therefore, it is not appropriate for halal certification to be used merely as a promotional tool. Halal certification must be initiated with good intentions and implemented with commitment and responsibility in accordance with the provisions of Islamic law.

This signifies that there has been a shift in values from a religious aspect to a profit-oriented one. This study confirms that the halal product business is not only oriented toward market opportunities but also carries a moral responsibility to ensure halal products in a transparent and accountable manner. Therefore, strengthening regulations, improving halal literacy, and internalizing Islamic business ethical values are required in the administration of halal product assurance in order to maintain the integrity of the halal industry amid the rapid globalization of the halal products industry.

From an Islamic perspective, moral responsibility is not only directed toward consumers but also toward Allah SWT as a form of spiritual responsibility. Therefore, halal business actors are obliged to ensure that the entire production process operates in accordance with halal and *thayyib* principles. Business actors who internalize these values will gain consumer trust, which is the main capital in global halal industry competition. Halal certification must truly be conducted based on the intention of providing halal product assurance, not because of objectives that are inconsistent with its purpose. Halal certification must be initiated with good intentions and implemented with commitment and responsibility. The halal product business must be aligned with its objectives (Zaman, 2024).

The halal product business is a trust to provide halal product assurance for consumers. Consuming halal products is not merely the fulfillment of physical needs but also the fulfillment of spiritual needs. Imam Al-Ghazali stated that halal food brings goodness, namely a pure heart that is more receptive to truth and fosters sincere intentions. In contrast, haram or doubtful food hardens the heart, makes it difficult to accept advice, and creates moral instability. Ibn Khaldun viewed halal food as part of the purification of the soul and the preservation of the well-being of society. According to Ibn Khaldun (2021), business is not merely an individual matter but a social activity that supports the life of society and the sustainability of civilization.

Everyone who chooses to engage in the halal product assurance business is obliged to uphold the principles of trustworthiness, integrity, independence, honesty, and transparency, as well as to have social responsibility toward the public (Kementerian Agama, 2012; Pakaja, 2018; Qardhawi, 2003). Halal certification must truly be conducted based on the intention of providing halal product assurance, not because of objectives that are inconsistent with its purpose. Halal certification must be initiated with good intentions and implemented with commitment and responsibility. Ibn Khaldun (2021) advised that a businessman must carry the responsibility of maintaining the sustainability of society and must not sell damaged or hazardous food. Production is not merely a business activity but also a function of maintaining

the social order of society. Every businessman should understand that his activities in economic life are part of his duty to maintain a balance between rights and obligations as a Muslim (Al-Haritsi, 2023).

The Halal Certification Body (HCB), as the institution issuing halal certificates and dealing with related matters, is required to make halal certification decisions based on Islamic legal considerations. Decisions regarding the halal or haram status of products may not be based on business interests. HCBs are not permitted to relax requirements for business interests, political pressure, or other forms of intervention. HCBs must maintain the integrity and competence of halal auditors. HCBs have a moral responsibility to ensure that all products they certify as halal genuinely provide halal assurance to consumers. Halal certificates are not merely legal documents but must be confirmed by HCBs as a full responsibility to ensure that halal products are indeed products that are circulated and traded within society.

The halal product business is not merely a trend but a trust to provide products with guaranteed halal status for society. Every production process undertaken by business actors carries a moral responsibility to ensure that what is presented to consumers is genuinely halal. There should be no hidden information, lack of transparency regarding material composition, or the use of halal certificates merely as a means of competition and customer attraction.

3. Conclusion

The development of the global halal lifestyle has created a very large economic opportunity for Indonesia's halal industry. However, this opportunity must be balanced with a commitment to ethics and moral responsibility in operating halal businesses. This research shows that the success of the halal industry is not only determined by its ability to fulfill market needs but also by its ability to maintain the integrity of the halal assurance system consistently. Moral responsibility is a key factor in building consumer trust and maintaining the sustainability of the halal industry amid global competition. Therefore, it is necessary to strengthen regulations, improve halal literacy, and internalize Islamic business ethical values among all stakeholders so that Indonesia's halal industry can develop sustainably and be globally competitive.

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