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*you
are
what
matters*

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GENUINE HALAL FOOD: IS A MUST

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One of the world's businesses that have an auspicious value is halal products. Many countries have been involved in this business, for instance, countries with a majority Muslim population and countries included in the 'secular' and non-Muslim majorities, such as Japan, China, South Korea, France, the United States, and Europe. These countries are also interested in developing this halal market. Japan is even very ambitious to be the centre and role model for halal products in the world. This has been evidenced by the establishment of Fuji as a halal city.

The interest of many countries to enliven the halal-product industry is due to the significant increase in the world's Muslim population. By 2030, it is estimated that the number of Muslims in the world would have reached 2.2 billion people or about 23%. This figure will continue to grow to 29% by 2050. Of that number, most are in the Asia Pacific, which will become a potential market for halal products, especially food. As a country with a Muslim minority in Asia, Thailand has even preceded to declare its country as a buffer zone for the world's halal food.

Based on the definition of halal, halal products are food and include health-service products, cosmetics, hotels, tourism and travel, education, finance, fashion, fitness, and cultural arts. However, of the many halal products, halal food ranks first with a market share of IDR 2,300 trillion. According to the State of Global Islamic Economy Report data in 2019, imports of halal food and beverages worth US\$184 by the OIC (the Organisation of Islamic Cooperation) countries are still fulfilled from countries outside the OIC. As a country with a Muslim minority, Brazil is even the largest exporter of halal food in the world today.

Knowing this unbalanced condition, the

countries that are the members of the OIC should begin to improve themselves to meet the demands of halal products, which are still wide open. This serves not only to meet the needs of the world's halal products but also as a means of preaching (da'wah). However, the enthusiasm of world countries in seizing the halal-food market has made the competition even tougher. Therefore, the countries that are the members of the OIC must maximise their potentials by creating differentiation.

Differentiation is a marketing strategy that makes a 'significant difference' compared to competitors so that it looks unique and becomes a strong reason for consumers to choose its products or services. Experts in marketing have proven that a unique and robust differentiation (not easy to imitate) is one of the bases of a sustainable competitive advantage. Differentiation can be explored from three things, namely 1) content (related to products offered to consumers); 2) context (related to how to deliver products to consumers); and 3) infrastructure (related to all things that allow content and context to be delivered).

When it comes to developing halal products, countries that are the members of the OIC can present uniqueness in terms of content by presenting genuine halal food, namely halal food that is processed through stages that are in strict accordance with Islamic law from upstream to downstream. Why must it be genuine? This is because it is suspected that Muslim consumers still have doubts about the halal-food process from secular countries who do not believe in the consequences of the afterlife due to consuming haram food.

In other words, a genuine halal product must be processed within the framework of faith, knowledge, and charity. These three components cannot be separated and influence each other to form a cyclic and spiral relationship. With a strong foundation of faith, a person will enrich his or her knowledge to be practised ideally based

on piety to his or her Lord. The absence of faith allows deviations from the halal process to occur. If traced, halal products originating from secular countries only prioritise the context and infrastructure side.

Faith means trusting and fearing God. Faith is the initial foundation that directs one's behaviour to seek absolute truth. This faith is the catalyst for a person to distinguish halal from haram through religious knowledge that is genuinely explored and internalised. This is very important considering that even the slightest mistake in processing food has a potential to make it haram. Assuming the sacred word 'Bismillah' is meaningless when slaughtering animals or mixing a few drops of wine into food, for people who do not have faith, it is possible to do so. Even with the various levels of faith of Muslims, this is still possible. For example, there is a difference in interpretation of the use of wine. Some people think it is okay if it is not intoxicating, but some say it is not allowed, even if it is just a single drop. This shows that the probability of deviation from the halal process is very likely to occur, primarily when the halal-food-production process is carried out by individuals or organisations who do not have faith and do not behave well (Ihsan).

Therefore, there is a need for a guarantee of the truth of halalness. One of the guarantees is the production process that strictly follows the pillars and requirements of halal products. Furthermore, Islamic boarding school is one of the institutions believed to have strong faith, knowledge, and charity, and understand the knowledge of halal and haram. The Islamic boarding school is a non-formal religious, educational institution where Muslim students (called 'Santri') gain knowledge from teachers (called 'Kiai') and live together and interact to explore and practise religious knowledge. In this institution, the students learn to understand, appreciate, and practise

religious teachings in detail. Through the Islamic boarding school, human resources will be internalised with strong moral values, including knowledge and appreciation of the law of halal and haram. Making an Islamic boarding school as a public-sector organisation that ensures the occurrence of a halal supply chain will create differentiation. Barney, the initiator of the Resource-Based View Theory, has clearly stated that organisations that can optimise resources that are valuable, rare, imperfectly imitable, and non-substitutable, will have the sustainable competitiveness.

So, how to operationalise this strategy? First, establishing quality standards for food ingredients and processing and halal aspects of all raw materials used in the halal-food industry. Second, using the Internet of things as a function of tracking the origin of halal food. Third, creating an ecosystem and supply chain with quality, hygiene, and halal standards through a standardised barcode method. Fourth, creating transparent food-processing standards and having credible quality assurance in the halal aspect. Fifth, providing narratives and illustrations for end consumers that the flow of food sources has created a chain of welfare. Sixth, creating an environmentally friendly packaging and delivery system necessary by utilising big-data analysis from end consumers.

To realise Islamic boarding school as a vital element forming Halal Supply Chain, it requires support from many parties, especially the government and charity from the Muslim community. This support can be in terms of budget, marketing, and technology aspects. The assistance process from the government also needs to be carried out to ensure that Islamic boarding school can be totally and independently involved in the Halal Supply Chain.

For now, making Islamic boarding school

as a centre for genuine halal food with a perfect halal-supply-chain implementation still takes time. Various obstacles, such as knowledge of food-processing, technology, budget, and networking must be resolved. However, there must be a clear and gradual programme so that this dream will come true in the future.

If the plans and aspirations to make Islamic boarding school a genuine halal food centre can be realised, then many parties will feel the benefits. First, Islamic boarding school becomes more independent from an economic perspective as well as a means of preaching (da'wah). Second, the governments of countries that are the members of the OIC will get international recognition as producers of genuine halal food, become a reference in obtaining genuine halal food, and bring in foreign exchange. Third, world consumers will get certainty about halal products, which will not cause doubts in consuming them.

Finally, if the countries that are the members of the OIC can optimise Islamic boarding schools in their respective countries and synergise in strengthening the halal supply chain, then, gradually, the world's genuine halal food needs will be fulfilled and it will also bring benefits to the world and the hereafter. Finally, the halal-food industry is no longer seen as a dichotomy and hegemonic symbol of Islam but as an effort to reach the welfare of all humanity.

Short Biography

Ken Sudarti is an Associate Professor of Management Science and a senior researcher at the Department of Management, Faculty of Economics and Business, Universitas Islam Sultan Agung (UNISSULA), Semarang, Indonesia. She was born in Semarang in 1967 and started her career in 1991 as a lecturer and researcher at the Faculty. She has graduated from the Faculty of Economics and Business, Universitas Islam Sultan Agung (UNISSULA), Indonesia and continued her Master's Degree in Dept. of Management, Faculty of Economics, Universitas Padjajaran (UNPAD), Indonesia. Then, she received her Doctoral Degree at the Department of Management, Faculty of Economics, Universitas Islam Sultan Agung (UNISSULA) in 2017 and successfully completed in 2020 with cum laude. Ken Sudarti received many awards in the fields of research, teaching, and community service. She has published some research articles in reputable journals and proceedings for the last five years. Besides, she is also actively writing in national newspapers and books as a contribution to a scientific reference in the field of management. Her teaching interest and research area is in Marketing Management and Service Marketing. She also achieved 'the best workshop paper award' in the International Conference of 1st IKIDW 2019. In learning and teaching, she got so many awards as 'the best productive lecturer and the most favourite lecturer in Management' in 2016/2017. Also, in the field of community service, she conducted some programmes nationally and internationally.



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