

Obligations of Business Actors to Publish Halal Labels in Food as a Form of Legal Protection for Muslim Consumers

1st Eny Sulistyowati

Law Departement, Faculty of Social Sciences and Law

*Universitas Negeri Surabaya
Surabaya, Indonesia*

enysulistyowati@unesa.ac.id

2nd Nurul Hikmah

Law Departement, Faculty of Social Sciences and Law

*Universitas Negeri Surabaya
Surabaya, Indonesia*

nurulhikmah@unesa.ac.id

3rd Isye Junita Melo

Law Departement, Faculty of Social Sciences

*Universitas Negeri Manado
Manado, Indonesia*

isyemelo@unima.ac.id

Abstract— Article 4 jo Article 25 of the Law of the Republic of Indonesia Number 33 of 2014 concerning Guarantees of Halal Products regulates obligations for Business Actors who trade in their products - including food - in Indonesia "must be halal certified" and "must include halal labels". One of the considerations of the issuance of the Law of the Republic of Indonesia Number 33 of 2014 is the state's obligation to guarantee that every religion adherent is to worship and carry out his religious teachings, including providing protection and guarantees about halal products consumed and used by the community. The obligation of food business actors to include halal labels on food is also regulated in Article 97 of the Law of the Republic of Indonesia Number 18 of 2012 concerning Food. This article states that the labeling on food packaging includes "halal information for those required". Based on the findings of the Food and Drug Supervisory Agency regarding halal labels on food products, the results showed that 11,243 met the provisions of halal labels and 693 did not fulfill the provisions of halal labels. This study uses normative juridical research methods. The approach used is the legislative approach and the conceptual approach. The results of the study show that Law Number 33 of 2014 which requires businesses to have halal certificates and include halal labels is more beneficial for food businesses even though they must meet the requirements and follow certain procedures. The advantage is that food with halal labels has a larger market share because the population in Indonesia is predominantly Muslim. On the other hand, Muslim consumers are guaranteed their right to consume halal food products as required in Islam.

Keywords— *Halal Labels, Food, Obligations of Business Actors, Muslim Consumer Rights*

I. INTRODUCTION

In Indonesia, a halal guarantee of a product has not been implemented optimally. Not all products circulating in the community are guaranteed halal. The results show that in Indonesia the application of halal product guarantees has not been implemented optimally. Not all products circulating in the community are guaranteed halalness.[1] This means that food products do not include halal labels. This is in line with the writer's observations in May to July 2018, although there are several food products that include halal labels but there are also food products that do not include halal labels. Food products that do not include halal labels are produced not

only by Indonesian businessmen but also from other countries. There are seven Indonesian business actors and there are eleven business actors from other countries who produce and distribute food products that do not include halal labels on the packaging.

In connection with food products that have halal labels, there are interesting findings from the Food and Drug Supervisory Agency. Although there are halal-labeled food products but do not meet the requirements. In 2016, the Food and Drug Supervisory Agency has examined 2,698 halal-labeled products. The results show that 590 products did not meet the requirements.[2] Whereas the provisions for halal product guarantees apply to business actors starting on October 17, 2019 as stipulated in Article 67 of the Law of the Republic of Indonesia Number 33 of 2014 concerning Guarantees of Halal Products.

Some businesses do not provide food information on their products. One such information is a halal label.[3] Information in the form of halal labels on food products is the right of Muslim consumers. The right to information is mandated by Article 4 letter c of the Law of the Republic of Indonesia Number 8 of 1999 concerning Consumer Protection. For Muslim consumers, halal food products give "peace of mind".[4] "Peace of mind" is manifested in the form of safety, comfort and safety in consuming products. Article 4 letter a gives consumers the right to safety, comfort and safety in consuming products. Food safety standards for Muslim consumers are halal.

If a business actor does not include a halal label, he will be subjected to administrative sanctions. The sanctions are stipulated in Article 27 of the Republic of Indonesia Law Number 33 of 2014 concerning Guarantees of Halal Products. Existing facts, legal sanctions are not enforced. This condition causes businesses not to attempt to obtain halal certificates. [5]

On the business side, food products that include halal labels provide profitable opportunities. This is because 70% of consumers in Indonesia are Muslim consumers.[6] In addition, the market share is not only countries that are predominantly Muslim but also countries that are predominantly non-Muslim, such as Singapore, Australia, New Zealand and South Africa. For non-Muslim consumers, halal food indicates food quality standards that are good for human health.[7] Muslim consumers in the world spend

large amounts of money for consumption of halal food. The halal food market is worth US \$ 547 billion. [8]

Regarding the regulation of halal labels on food, Article 97 of the Law of the Republic of Indonesia Number 18 of 2012 concerning Food regulates the obligation of food business actors to include food labels. One of the contents of the food label is to contain information about "halal for those required". The sound of the article is interpreted that certain food products must be labeled halal. On the other hand, Article 25 of the Law of the Republic of Indonesia Number 33 of 2014 concerning Halal Product Guarantee regulates the obligation of business actors to include "halal labels".

II. RESEARCH METHOD

This study uses normative juridical research methods. The approach used is the legislative approach and the conceptual approach. The legal materials used are primary legal materials and secondary legal materials.

III. RESULT AND DISCUSSION

A. Halal Labels

Today, halal food produced by business people is difficult to control. This is due to the progress of increasingly sophisticated food technology. Determination of halal food products requires special expertise. The halal of food products is not only from raw materials but also the process of production, storage, packaging, distribution, sale and presentation of products. Thus, food is said to be halal or not is difficult to determine because the process that must be passed is quite long.

This was considered by the issuance of the Law of the Republic of Indonesia Number 33 of 2014 concerning Guarantees of Halal Products. General Explanation states that the progress of science and technology in the fields of food, medicine and cosmetics is growing very rapidly. This has a significant effect on the shift in processing and utilization of raw materials for food, beverages, cosmetics, medicines, and other products from what was originally simple and natural to be the processing and utilization of raw materials produced by science. Product processing by utilizing scientific and technological advances enables the mixing of halal and unlawful, intentional or unintentional. Therefore, to know the halal and purity of a product, a special study is needed that requires multidisciplinary knowledge, such as knowledge in the fields of food, chemistry, biochemistry, industrial engineering, biology, pharmacy, and understanding of Shari'a.

The definition of halal label juridically is found in Article 1 number 11 of the Republic of Indonesia Law Number 33 of 2014 concerning Halal Product Guarantee. Halal Labels are a halal sign of a product. The halal mark is a sign that is stated on the product packaging, a certain part of the product, or a particular place, which is a guarantee sign of halal products to be eaten, drunk, used or used.[9] The halal label in the Law of the Republic of Indonesia Number 33 of 2014 concerning Guarantees of halal products is not only for food products but also drugs, cosmetics, chemical products, biological products, genetic engineering products, as well as used goods used, used or utilized by the community.

Basically, halal labels are a form of protection for Muslim consumers. Article 1 number 1 of the Republic of Indonesia Law Number 8 of 1999 concerning Consumer Protection provides a definition of consumer protection as an

effort to guarantee legal certainty to provide protection to consumers. The existence of a halal label listed on the food packaging means Muslim consumers get protection for halal food.

Business actors must have a halal certificate before placing a halal label. This is stipulated in Article 25 letter a of the Law of the Republic of Indonesia Number 33 of 2014 concerning Guarantees of Halal Products, which states that the Halal Label must be included by the business actor if the business actor has obtained a halal certificate. Halal certificate has benefits. The benefit is to protect Muslim consumers from food that is not halal so that the inner condition becomes calm and protects health.[10]

B. Muslim Consumer Rights

Consumers must be protected by their rights to safety, comfort and safety to consume halal food. Foods that provide these rights are foods that provide free guarantees not only from physical, chemical or microbiological hazards but also free from the dangers of goods that are forbidden and doubtful.[11] This right is realized in the form of halal labels on food.

Information is the basis for consumers to decide to buy a product. Information must be true and accountable.[12] Halal labeling on food for Muslim consumers is the right to information. Thus, if a food product includes a halal label, it means that the Muslim consumer's rights have been fulfilled.

On the other hand, Muslim consumers before buying food are given the obligation to read the information printed on the food packaging. This obligation has been regulated in Article 5 letter a of the Law of the Republic of Indonesia Number 8 of 1999 concerning Consumer Protection. Muslim consumers must read the information written on the food carefully that the food to be purchased includes or does not include a halal label.

C. Obligations of Business Actors

Article 7 letter b of the Law of the Republic of Indonesia Number 8 of 1999 concerning Consumer Protection states the obligation of business actors to provide correct, clear and honest information regarding the condition and guarantee of goods. One of these obligations is to provide information about halal food products. The obligation of business actors to include halal labels for their products, especially food products, is regulated in Article 25 letter a of the Law of the Republic of Indonesia Number 33 of 2014 concerning Guarantees of Halal Products. Business actors producing halal food mean respecting the spiritual aspects of consumers.[6]

LPPOM MUI has issued 1,516 halal certificates from 52,982 products and 1,169 companies. The following are data on the number of companies, the number of halal certificates and the number of products from LPPOM MUI for the period of January to October 2017.



Figure 1

Data of LPPOM MUI Halal Certification Center

Source:

http://www.halalmui.org/mui14/index.php/main/go_to_section/59/1368/page/1

Article 38 of the Law of the Republic of Indonesia Number 33 of 2014 concerning Halal Product Guarantee requires business actors to include halal labels on product packaging, certain parts of certain products and / or places on the product. Halal labels must meet certain requirements as stipulated in Article 39 of the Law of the Republic of Indonesia Number 33 of 2014 concerning Guarantees of Halal Products. These conditions are readability conditions that are easy to see and read. In general, businesses include halal labels with sizes too small and matching colors with packaging. As a result, consumers have difficulty seeing and reading it. Although the LPPOM MUI website has informed the halal label certification number, in fact there are some businesses that do not include it. The next requirement is related to the physical quality aspect of a label that is not easily removed, removed and damaged. This is because food products through long enough links from production reach consumers.

Halal label which is an obligation for food business actors is a form of food safety guarantee for Muslim consumers. One factor that causes business actors to distribute unsafe food is related to aspects of responsibility.[13] Business actors must have moral responsibility as a form of business ethics. One of the requirements for moral responsibility is willingness.[12] Thus, food business actors who have the will to fulfill halal labeling requirements have at least fulfilled moral responsibility.

In fact, there are business people who do not have halal certificates. This condition is caused by economic factors. Some economic factors are expensive certification fees and a long time to get a halal certificate.[14] Although there are some sanctions given if they do not have a halal certificate and include a halal label on food packaging. Although the law threatens very strict sanctions, it is proven that it will not be able to control the behavior of community members.[15]

In connection with legal compliance, regulation is not only seen from the function of the rule of law, but also by the human function that is the target of its regulation. Legal compliance is not only explained by the presence of law but also by human willingness to obey it.[16]

IV. CONCLUSION

There are various laws and regulations relating to halal labels on food indicating that the arrangements are still partial. However, the existence of the Law of the Republic of Indonesia Number 33 of 2014 concerning Guarantees of Halal Products provides more legal certainty. Business actors

who are required to put a halal label on food is one of the moral responsibilities of business actors.

In terms of Muslim consumers, halal labels on food provide inner peace. Islam requires its people to consume halal food. The State has issued Law of the Republic of Indonesia Number 33 of 2014 concerning Guarantee of Halal Products as a form of protection for Muslim consumers.

REFERENCES

- [1] and C. H. Akim, RD Heryadi, AU Dewi, "Contribution of Higher Education Institutions in Supporting Indonesian Halal Product Guarantee Policy 2019," in *Adv. Soc. Sci. Educ. Humanities Res.*, vol. 136, no. 2nd International Conference on Social and Political Development, 2017, pp. 321–326.
- [2] BPOM, "Annual Report 2016," Jakarta, 2016.
- [3] and S. S. Yulinda, SH Situmorang, *The Influence of Entrepreneur Competencies and Business Ethics on Growth Business (Case Study Local Food In Sumatera)*, vol. 46. 2017, pp. 426–430.
- [4] and M. M. AHA Rahman, WIW Ahmad, "Knowledge on Halal Food among Food Industry Entrepreneurs in Malaysia," *Asian Soc. Sci.*, vol. 7, pp. 216–221, 2011.
- [5] and A. S. S. Prabowo, AA Rahman, SA Rahman, "halal certification in East Kalimantan Indonesia," *J Islam Mark*, vol. 6, pp. 268–291, 2015.
- [6] M. S. and K. Elangkovan, "Halal Labels and the Ethics of Business: An Analytical View From Producers," *Aust. J. Basic Appl. Sci.*, vol. 7, pp. 613–621, 2013.
- [7] MN Riaz and MM Chau dry, *Halal Food Production*. Florida: CRC Press, 2004.
- [8] G. W. and A. Samuel, "Fairtrade and Halal Food Certification and Labeling: Commercial Lessons and Religious Limitations," *J. Macromarketing*, vol. 1, pp. 1–12.
- [9] T. A. et Al, *Community Participation in Providing Halal Product Information*. Jakarta: BPHN, 2011.
- [10] K. Hasan, "Certifying Legal Certifications and Halal Labeling of Food Products," *J. Din. Huk*, vol. 14, pp. 227–238, 2014.
- [11] W. A. and K. Rayani, *National Policy Analysis of MUI and BPOM in Drug and Food Labeling*. Jakarta: Faculty of Public Health, 2008.
- [12] A. Keraf, *Demands Business Ethics and Relevance*. Yogyakarta: Kanisius, 1998.
- [13] Sugiyono, *Compilation of Law on Food Sector*. Jakarta: BPHN, 2011.
- [14] I. Fuad, "Legal Awareness of Small Businesses in the Packaging of Food in the City of Semarang Against Regulation of Certification of Halal Products," 2010.
- [15] S. Wignjosobroto, *Law in the Community Development and Problems An Introduction to the Sociology of Law Studies*. Malang: Bayumedia Publishing, 2008.
- [16] S. RAHARJO, *No Title*. GENTA PUBLISHING, 2012.