

Legal and Economic Aspects of Halal Product Certification in Indonesia: A Comparative Study of the Job Creation Law and the Halal Product Certification Law

Rustamunadi*, Hanafi, Ikin Ainul Yakin, Ida Sulastri

UIN Sultan Maulana Hasanuddin Banten, Indonesia

Email: rustamunadisumae@gmail.com*, hanafi@uinbanten.ac.id,

Ikin.ainul@uinbanten.ac.id, idasulastirustam@gmail.com

ABSTRACT

Keywords:

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This research is motivated by the increasing demand for halal product assurance in the context of global economic integration, consumer protection, and the enhancement of the competitiveness of the national halal industry within a value-based economic system. This study aims to comprehensively analyze the economic law aspects in the implementation of halal product assurance in Indonesia, with a particular focus on the transformation of the legal regime through a comparative approach between Law Number 33 of 2014 on Halal Product Assurance and Law Number 11 of 2020 on Job Creation along with its implementing regulations. This research employs a normative (doctrinal) legal research method, utilizing statutory, conceptual, and comparative approaches. The data sources consist of primary, secondary, and tertiary legal materials, which are analyzed qualitatively through systematic, grammatical, and teleological interpretation techniques to understand the direction and implications of legal norm development. The findings indicate that there has been a significant transformation in the halal product assurance legal regime, marked by amendments, additions, and reaffirmations of legal norms, including the simplification of halal certification procedures, the strengthening of institutional roles, and the acceleration of services oriented toward ease of doing business. From an economic law perspective, this condition highlights the necessity of a responsive, adaptive, and integrative legal policy capable of balancing economic interests, sharia values, and the principles of economic democracy as mandated by the constitution.

INTRODUCTION

Today's era of globalization has encouraged an increasingly intensive integration between legal, economic, and business disciplines in building a just, sustainable, and competitive order of society. Globalization not only expands the space for cross-border economic interaction, but also demands a legal system that is adaptive and responsive to the dynamics of these changes (Alzeer et al., 2018; Undang-Undang Nomor 11 Tahun 2020 Tentang Cipta Kerja, 2020; Suryawan et al., 2022). In this context, law is no longer understood simply as a static normative instrument, but as a tool of social engineering that is able to direct economic and business activities towards the goals of social justice and social welfare (Chapra, 1992).

Conceptually, law, economics, and business have functional relationships that complement each other. The law functions as a regulatory instrument that provides certainty

and legitimacy to economic activities. The economy plays a role as a mechanism for the distribution of resources and prosperity, while business is a concrete activity in the production and distribution of goods and services. (Ibrahim, 2006) Thus, the synergy of these three fields is the main prerequisite for creating an efficient and equitable economic system.

In the Indonesian context, the construction of economic law cannot be separated from the philosophical and constitutional foundations of the state, namely Pancasila and the 1945 Constitution of the Republic of Indonesia (Ali et al., 2017; Halim et al., 2014; Hamdan et al., 2024). In particular, Article 33 of the 1945 Constitution affirms that the economy is structured as a joint venture based on the principle of kinship. (Mahfud MD, 2009) This norm reflects the principle of economic democracy which requires a balance between market efficiency and social justice. Therefore, any legal policy in the field of economics must reflect an orientation to the general welfare, not solely the interests of the market or capital.

Along with the development of the global economy, the issue of halal product assurance has transformed from just a religious obligation to an integral part of the modern economic system. Halal is no longer seen only as a theological norm, but also as a standard of quality, safety, and consumer trust in global trade. (Marzuki, 2010) In this context, halal product assurance functions as an instrument of consumer protection as well as a strategy to increase the competitiveness of national products in the international market, especially in the fast-growing halal industry.

Indonesia as a country with the largest Muslim population in the world has the strategic potential to become the center of the global halal industry. However, this potential requires the support of a strong, comprehensive, and adaptive legal framework to the times. The establishment of Law Number 33 of 2014 concerning Halal Product Assurance (JPH Law) is a progressive step in providing legal certainty for the implementation of halal product assurance in Indonesia. (Mertokusumo, 2009) This law regulates halal certification obligations, institutions, and systematic product supervision mechanisms.

However, the dynamics of national economic policies have undergone significant changes with the birth of Law Number 11 of 2020 concerning Job Creation (Job Creation Law), which carries a paradigm of deregulation and simplification of licensing in order to encourage ease of doing business. (Pound, 1922) In the halal product assurance cluster, the Job Creation Law makes a number of changes to the norms in the JPH Law, including simplifying certification procedures, accelerating services, and adjusting institutional roles.

This change in the legal regime has complex implications. On the one hand, the regulatory reform has the potential to increase bureaucratic efficiency, accelerate industrial growth, and attract investment in the halal sector. However, on the other hand, there are concerns about the potential for a decrease in halal standards, disharmony between laws and regulations, and the complexity of coordination between the institutions involved, such as the Halal Product Assurance Agency (BPJPH), the Indonesian Ulema Council (MUI), and the Halal Inspection Institute (LPH) (Radbruch, 1950).

In addition, from the perspective of economic law, the change also reflects the political dynamics of state law in balancing economic interests and normative values, including sharia values. Legal politics in this context is important to ensure that the direction of law formation remains in line with the state's goals, which are to realize social justice, utility, and legal certainty (Saleh, 1983).

The urgency of this research stems from several converging factors. First, the mandatory halal certification deadline for food and beverage products has passed (October 17, 2024), yet compliance rates remain low, particularly among micro and small enterprises. Second, Government Regulation No. 42 of 2024 has introduced significant changes to implementing regulations, including self-declare mechanisms for MSEs, yet the effectiveness and credibility of these mechanisms have been questioned (Cahyaningrum et al., 2025). A 2025 study published in DOAJ revealed that institutional fragmentation between BPJPH and related ministries has created legal uncertainty and double standards, weakening BPJPH's supervisory role (Al-Muamalat, 2025). Third, Indonesia has entered into Mutual Recognition Agreements with 38 countries, including the United States (Jakarta Globe, March 2026), making halal certification an instrument of international trade policy. Fourth, from an economic law perspective, there is a fundamental tension between deregulation aimed at improving ease of doing business and the precautionary principle required to maintain halal integrity and consumer protection.

The novelty of this research lies in three interconnected contributions. First, this study provides a comprehensive comparative analysis of the halal product assurance legal regime before and after the Job Creation Law, examining changes across multiple dimensions including certification procedures, institutional arrangements, validity periods, sanctions, and international recognition mechanisms. Second, this research applies economic law theory—specifically the principles of justice (Radbruch), legal politics (Mahfud MD), and economic democracy (Article 33 of the 1945 Constitution)—as an analytical framework for evaluating regulatory transformation. This theoretical integration has not been previously attempted in the context of Indonesian halal certification. Third, this study identifies structural challenges arising from regulatory reform, including disharmony between laws and implementing regulations, institutional coordination complexity, and tensions between economic efficiency and religious norm preservation. These findings provide an evidence-based foundation for policy recommendations regarding regulatory harmonization and institutional strengthening.

Based on this background, this study focuses on a comparative analysis of the legal regime of halal product assurance before and after the enactment of the Job Creation Law. This study aims to identify changes in legal norms, analyze the political implications of the law behind them, and evaluate their impact on the economic legal system in Indonesia within the framework of economic democracy and social justice values. Thus, this research is expected to make a theoretical and practical contribution to the development of economic law, especially in strengthening the halal product assurance system in Indonesia.

METHOD

This research uses a normative (doctrinal) legal research method, which is research that places law as a norm or rule that applies in the system of laws and regulations. Normative legal research aims to examine legal principles, legal systematics, the level of legal synchronization, and legal comparison in order to find new arguments, theories, and concepts as prescriptions in solving legal problems.

This approach was chosen because the object of the research study focuses on the legal norms that govern halal product assurance from the perspective of economic law, especially those contained in Law Number 33 of 2014 concerning Halal Product Assurance and Law

Number 11 of 2020 concerning Job Creation and its derivative regulations. Thus, this study not only examines normative texts, but also analyzes the political direction of the law that underlies the formation and change of these norms.

1. Research Approach

This study uses several approaches as follows:

- a. Statute Approach. This approach is carried out by examining all laws and regulations related to halal product assurance, especially Law Number 33 of 2014 and Law Number 11 of 2020. The analysis was conducted to identify the structure of norms, regulatory hierarchies, and changes in legal substance that occurred as a result of legislative policy interventions.
- b. Conceptual Approach. The conceptual approach is used to understand relevant basic concepts, such as economic law, legal politics, economic democracy, as well as halal concepts in the perspective of Islamic law and positive law. This approach relies on legal doctrines and the views of legal doctrines as a theoretical basis for analyzing research problems.
- c. Comparative Approach. A comparative approach was used to compare the legal regime of halal product assurance before and after the enactment of the Job Creation Law. Comparisons are made to aspects of norms, institutions, procedures, and legal implications. This approach aims to identify similarities, differences, and trends in the direction of legal trends in the framework of national economic law development.⁴

2. Types and Sources of Legal Materials

This research uses legal materials consisting of:

- a. Primary Legal Material. Includes laws and regulations that have binding legal force, including:
 - Constitution of the Republic of Indonesia in 1945,
 - Law Number 33 of 2014 concerning Halal Product Assurance,
 - Law Number 11 of 2020 concerning Job Creation,
 - as well as relevant implementing regulations.
- b. Secondary Legal Materials. It includes legal literature in the form of books, scientific journals, research results, and opinions of legal scholars related to economic law, legal politics, and the halal product assurance system.
- c. Tertiary Legal Materials. Includes legal dictionaries, encyclopedias, and other sources that support explanations of primary and secondary legal materials.

3. Legal Materials Collection Techniques

The technique of collecting legal materials is carried out through library research, which is by searching, inventorying, and reviewing various literature and legal documents relevant to the object of research. This literature study was conducted systematically to obtain comprehensive and in-depth data on the development of halal product assurance laws in Indonesia.

4. Legal Material Analysis Techniques

The analysis of legal materials in this study was carried out qualitatively using several analysis methods as follows:

- a. Classification of Legal Norms. Grouping legal norms by type, hierarchy, and substance to facilitate comparative analysis between legal regimes.

- b. Legal Interpretation. Interpreting legal norms uses methods: grammatical interpretation (based on language), systematic interpretation (based on the relationship between norms), and teleological interpretation (based on legal objectives) (Sidharta, 2009).
- c. Legal Doctrine Analysis. Analyze the views of legal experts to strengthen arguments and find relevant legal constructions in answering research problems (Soekanto, 2007).
- d. Comparative Analysis. Compare changes in legal norms and policies between the JPH Law and the Job Creation Law to assess the juridical implications and the evolving direction of legal politics.

5. Pendekatan Analitis (Analytical Framework)

In order to deepen the analysis, this study also uses a theoretical framework that includes: the theory of legal objectives (justice, utility, and legal certainty), legal political theory, and the principle of economic democracy in Article 33 of the 1945 Constitution.

This framework is used to evaluate whether changes in the legal regime for halal product assurance are in line with the legal objectives and national legal ideals.

RESULT AND DISCUSSION

Construction of Economic Law in the Halal Product Assurance System

Based on the results of the study, the halal product assurance system in Indonesia cannot be separated from the construction of national economic law based on Pancasila and the 1945 Constitution of the Republic of Indonesia. Within this framework, economic law is positioned as a normative instrument that regulates production, distribution, and consumption activities to be in harmony with the state's goals, which are to realize social justice and general welfare.

Article 33 of the 1945 Constitution is the main foundation that affirms the principle of economic democracy based on the principle of family. This principle requires that economic activities, including the halal industry, should not be solely profit-oriented, but must also take into account the interests of the wider community. Thus, halal product assurance is part of an economic law policy that not only protects consumers, but also promotes fair distribution in the market system.

From a theoretical perspective, legal objectives that include justice, utility, and legal certainty must be reflected in every halal product assurance arrangement. These three values are parameters in assessing whether a legal policy is in accordance with the ideals of national law.

In addition, in the framework of sharia economics, the concept of halal contains ethical and moral dimensions that strengthen the function of law as a value guardian. Therefore, the halal product assurance system not only functions administratively, but also is substantive in maintaining product integrity and public trust.

Reconstruction of Halal Product Assurance Norms in the Job Creation Law

The results of the analysis show that Law Number 11 of 2020 concerning Job Creation has reconstructed the norms in Law Number 33 of 2014 concerning Halal Product Assurance, both in terms of substance and procedure.

The reconstruction includes:

- a. Changing a number of provisions that were previously rigid to be more flexible,
- b. the addition of new norms such as Article 4A and Article 35A,

c. and simplification of halal certification procedures.

One of the important changes is the introduction of a self-declaration mechanism for micro and small businesses, which aims to speed up the certification process while reducing administrative costs. This policy reflects a more facilitative and pro-business approach to the law.

In addition, there is a rearrangement of the institutional role, where the Halal Product Assurance Agency (BPJPH) has been strengthened in its administrative function, while the Indonesian Ulema Council (MUI) continues to play a role in determining halal fatwas. This change shows a differentiation of function between the administrative aspect and the substantive aspect of halal.

In the perspective of economic law, this reconstruction shows a paradigm shift from the regulatory state to the facilitative state, where the state not only regulates, but also facilitates economic activities.

Legal Political Orientation in Halal Regulation Reform

Regulatory reform through the Job Creation Law reflects the political direction of the state law which is oriented towards increasing national economic competitiveness. Legal politics in this context is not only understood as the formation of norms, but also as a state strategy in responding to global economic dynamics.

In the halal product assurance cluster, legal politics is directed to:

- a. simplification of regulations,
- b. acceleration of services,
- c. and improving bureaucratic efficiency.

This policy is in line with the national agenda to increase the ease of doing business and attract investment, including in the halal industry sector which has great potential.

However, the analysis shows that there is a potential tension between the economic orientation and the principle of prudence in maintaining halal standards. Therefore, legal politics must maintain a balance between economic interests and the protection of normative values.

Furthermore, the ideal legal politics should be responsive and participatory, and oriented towards the interests of the wider community, not just the interests of the market.

Halal Product Assurance as an Economic Law Instrument and Consumer Protection

The results of the study show that halal product assurance has a dual function, namely as an economic law instrument and as a consumer protection mechanism.

In the context of economic law, halal certification functions as:

- a. product quality standards,
- b. A tool to increase competitiveness,
- c. and integration instruments in global markets (Sunggono, 2013).

Meanwhile, from the perspective of consumer protection, halal assurance provides legal certainty and a sense of security for people in consuming products. This is important given the increasing complexity of production and distribution chains in the modern economy.

Within the framework of sharia, the concept of halal is sourced from the Qur'an and Hadith, which are then developed through the ijihad of scholars in the form of fiqh. (Umar,

2003) This integration between religious norms and positive legal norms is a distinctive characteristic of the halal product assurance system in Indonesia.

Thus, the halal system not only functions as an administrative regulation, but also as a mechanism of social legitimacy and public trust in the products circulating in the market.

Implementation Problems and Challenges

Although normatively it has been improved, the implementation of the halal product assurance system still faces various obstacles.

First, there is regulatory disharmony, both between laws and implementing regulations, which has the potential to create legal uncertainty (Indonesia, 2002).

Second, the institutional complexity involving BPJPH, MUI, and LPH often poses coordination constraints, especially in the division of authority and the flow of the certification process.

Third, the limited capacity of business actors, especially micro and small businesses, in meeting the requirements of halal certification, both in terms of knowledge, cost, and access to services (Undang-Undang Nomor 33 Tahun 2014 Tentang Jaminan Produk Halal, 2014).

Fourth, supervision and law enforcement that are not optimal, so that it has the potential to cause irregularities in halal certification practices.

These problems show that the success of the halal product assurance system is not only determined by the quality of legal norms, but also by the effectiveness of implementation and the readiness of all stakeholders.

CONCLUSION

Based on the results of the analysis, it can be concluded that the halal product assurance system in Indonesia is an integral part of the construction of national economic law based on Pancasila and the 1945 Constitution of the Republic of Indonesia, especially the principle of economic democracy in Article 33. Within this framework, halal product assurance not only functions as a normative obligation of a religious nature, but also as a strategic economic law instrument in protecting consumers, improving product quality, and strengthening the competitiveness of national industries in the global market.

A comparison between Law Number 33 of 2014 concerning Halal Product Assurance and Law Number 11 of 2020 concerning Job Creation shows that there is a significant reconstruction of legal norms. These changes are marked by simplifying halal certification procedures, strengthening institutional administrative functions, and introducing more flexible mechanisms for business actors, especially micro and small businesses. This reflects a paradigm shift in legal policy from a rigid regulatory approach to a more facilitative and business-oriented approach.

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