

Policy Evaluation of the Halal Product Guarantee Agency (BPJPH): Impact on Producer Compliance

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ABSTRACT

The existence of the Halal Product Guarantee Agency (BPJPH) is an important milestone in the halal certification system in Indonesia in accordance with the mandate of Law No. 33 of 2014 concerning Halal Product Guarantee. BPJPH has full authority in formulating policies, establishing norms, standards, procedures, and issuing and revoking halal certificates, including supervising halal auditors. However, the implementation of halal certification policies still faces significant challenges, especially in the Micro, Small and Medium Enterprises (MSMEs) sector, with certification rates only reaching around 30% of the 64 million MSMEs due to relatively high certification costs, limited access to information, and complex administrative procedures. This study aims to evaluate BPJPH policies related to halal certification and their impact on producer compliance, especially MSMEs, and identify inhibiting factors and opportunities for policy improvement. The method used is a literature study with a qualitative descriptive approach, analyzing BPJPH policy documents for the 2015-2024 period and case studies of producers involved in the halal certification process. The results showed that BPJPH policies such as Minister of Religious Affairs Regulation No. 26 of 2020 and BPJPH Regulation No. 3 of 2021 succeeded in increasing producer compliance through reducing costs and simplifying procedures. The dominant factors influencing compliance are halal market awareness, affordable costs, and halal certification.

Keywords: Policy Evaluation, Halal Product Guarantee Agency (BPJPH), Producer Compliance

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1 Introduction

The existence of the Halal Product Guarantee Agency (BPJPH) is a major milestone in the halal certification system in Indonesia, as mandated in Law No. 33 of 2014 concerning Halal Product Guarantee [1]. BPJPH has full authority in formulating policies, establishing norms, standards, procedures, and issuing and revoking halal certificates for products circulating in Indonesia, including supervising and fostering halal auditors [2]. In its implementation, BPJPH works closely with the Indonesian Ulema Council (MUI), the Halal Examining Agency (LPH), and various other stakeholders to strengthen the national and global halal ecosystem [3]. The implementation of halal certification policies still faces significant challenges, especially in the Micro, Small and Medium Enterprises (MSME) sector. Data from the Ministry of Cooperatives and SMEs in 2023 shows that only around 30% of the 64 million MSMEs have halal certificates,

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due to the relatively high cost of certification, limited access to information, and the complexity of administrative procedures. In addition, the lack of socialization and supervision in remote areas also affects the low level of producer compliance with BPJPH regulations [4].

Research by [5] revealed that the main obstacles faced by small producers are lack of understanding of regulations, financial readiness, and access to adequate information related to the halal certification process. Religious awareness and ease of certification procedures are also important factors in increasing producer compliance. The BPJPH socialization program, which has not been evenly distributed in various regions, has also become an obstacle in achieving the national halal certification target set by the government in 2024. In the study [6] reinforces these findings by showing that the BPJPH socialization program has not been evenly distributed throughout Indonesia, causing many producers to not fully understand the obligation to obtain halal certification. Research by [7] states that the existence of halal certification has a significant impact on increasing consumer confidence in products. However, the low level of compliance of producers to obtain halal certification is still a major challenge that needs to be addressed immediately through policy improvements and intensification of education and assistance programs [8].

This study aims to evaluate the policies that have been implemented by the Halal Product Guarantee Agency (BPJPH) in an effort to increase producer compliance with halal certification in Indonesia. The main objectives of this study are to identify factors that influence producer compliance in meeting halal certification requirements, as well as to analyze the effectiveness of BPJPH policies in supporting the achievement of these objectives. In addition, this study also aims to provide an overview of the challenges faced by producers in implementing the policy, as well as identify opportunities for improvement in BPJPH policies to increase the level of producer compliance with halal certification. Overall, this research is expected to provide constructive recommendations for improving BPJPH policies that are more effective and efficient in ensuring the quality of halal products circulating in the market.

Implementation of the BPJPH policy in Indonesia, the level of producer compliance with halal certification is still relatively low, especially among MSMEs. This is thought to be due to the lack of socialization of BPJPH policies, certification costs which are considered burdensome, and complex administrative procedures. Small-scale producers tend to have limited access to information and resources to fulfill halal certification obligations. In addition, the effectiveness of BPJPH regulations is influenced by the lack of supervision and coordination between BPJPH and related institutions. low producer awareness of the importance of halal certification indicates a gap between policy and its implementation in the field. Producer compliance is expected to increase if halal certification costs are more affordable, administrative processes are simplified, and policy socialization is expanded to all regions, including remote areas. Consumer confidence in halal-certified products is believed to encourage producers to be more compliant with regulations. Thus, the effectiveness of BPJPH policies can be optimized through a more comprehensive evaluation of regulations and the provision of technical and financial support for producers.

2 Materials and methods

2.1 Materials

Evaluation of Policy

Policy evaluation can be defined as a systematic process to assess the extent to which a policy or program achieves its stated objectives, as well as its impact on the various parties involved. Policy evaluation is an assessment of the results, processes, and impacts of policies carried out objectively to provide feedback to improve the implementation of these policies. This evaluation includes an analysis of the effectiveness, efficiency, relevance, and sustainability of the policy. In the context of halal product guarantee policy, evaluation aims to measure the level of producer compliance with halal certification regulations and identify obstacles that hinder the achievement of these policy objectives. Thus, policy evaluation is an important step to improve the effectiveness of policy implementation and ensure that the policy provides optimal benefits for the community [9].

Policy evaluation can be grouped into several categories based on its focus and methods. The first categorization is a process evaluation that examines the extent to which policies are implemented in accordance with established plans and procedures. In this case, the evaluation focuses on the roles and responsibilities of related institutions, such as BPJPH in managing halal certification. The second categorization is an impact evaluation that measures the extent to which policies provide positive changes, such as increased producer compliance with halal standards and their impact on consumer confidence. This evaluation assesses whether the policy has succeeded in achieving its main goal, namely increasing the guarantee of halal products in the Indonesian market. Evaluation can also be seen in the context of formative evaluation, which provides feedback for improvement, and summative evaluation, which assesses the final outcome of the policy. In the context of BPJPH, the manifestation of policy evaluation will be seen in the level of producer compliance, changes in consumer perceptions, and a decrease in administrative barriers in the halal certification process [10].

Halal Product Guarantee Agency (BPJPH)

Policy evaluation of the Halal Product Guarantee Agency (BPJPH) refers to a systematic analysis process carried out to assess the success of policy implementation related to halal certification in Indonesia. This evaluation aims to measure the extent to which BPJPH policies in terms of halal certification can increase producer compliance with regulations, as well as their impact on consumer confidence and product quality. Defining policy evaluation as an activity that aims to assess the effectiveness, efficiency and relevance of policies implemented in achieving the expected goals. In the context of BPJPH, this evaluation includes an assessment of the halal certification process, supervision, and policy support provided to producers to comply with halal regulations. This assessment is important to ensure that the BPJPH policy can run effectively and have a positive impact on the Indonesian economy, especially in strengthening the halal product industry [11].

BPJPH policy evaluation can be grouped into several categories that focus on the process and impact of the policy. Process evaluation examines how effective the implementation of BPJPH policies is in providing halal certification services to producers. This includes analyzing certification procedures, coordination between institutions, and counseling provided to producers, especially MSMEs which are a large part of this sector [12]. Evaluation can also include administrative and regulatory aspects that affect the smoothness of the halal certification process, such as costs, time required, and accessibility of policy-related information. Impact evaluation emphasizes more on the final results of BPJPH policies, which can be seen in the level of producer compliance with halal regulations, its effect on increasing consumer confidence, and its contribution to increasing the competitiveness of Indonesian

halal products in the global market. The manifestation of this policy evaluation will be realized in real changes, both in terms of regulations and practices in the field, which support the achievement of the objectives of halal product assurance in Indonesia [13].

Producer Compliance

Producer compliance with regulations and policies set by the Halal Product Guarantee Agency (BPJPH) refers to the suitability of producer actions in meeting existing requirements to obtain halal certificates for the products they produce. This compliance includes various aspects, from the registration process, halal certification procedures, to the implementation of production standards that meet the requirements of halalness according to the fatwa of the Indonesian Ulema Council (MUI) [14]. According to, compliance is an attitude or behavior that shows the willingness of individuals or groups to follow the rules or regulations set by the competent authority. In the context of BPJPH, producer compliance serves to ensure that products circulating in the market meet the established halal standards, which in turn has an impact on consumer confidence and the development of the halal product industry as a whole. Producer compliance is a key factor in achieving BPJPH's goal of creating a safe and reliable halal product market in Indonesia [15].

Producer compliance with halal certification regulations can be categorized based on the level of awareness, ability, and motivation to follow the regulations set by BPJPH. The first categorization is administrative compliance, which includes the obligation of producers to complete documents and fulfill halal certification procedures in accordance with applicable regulations. This includes submission of certification applications, internal audits, and halal verification by authorized institutions. The second categorization is technical compliance, which focuses on the implementation of halal production standards in the manufacturing process, processing of raw materials, and product distribution [16]. Compliant producers in this category ensure that their entire supply chain and production processes are not contaminated by non-halal elements. Another manifestation of producer compliance can also be seen in the long-term commitment to comply with halal regulations, which is reflected in the ongoing management and maintenance of halal certification. This compliance has a direct impact on consumer confidence, business sustainability, and the image of halal products in domestic and international markets. Thus, producer compliance is not only seen from an administrative point of view, but also from the seriousness in maintaining halal standards in all aspects of product production and distribution [17].

Halal Products

Halal products are products that meet the requirements of halalness according to Islamic law, which include aspects of raw materials, production processes, storage, distribution, and presentation. In principle, halal products must be free from *haram* ingredients such as pork, blood, carrion, and other unclean substances, and must be processed in a way that is in accordance with Islamic provisions, including halal animal slaughter [18]. Law No. 33 of 2014 concerning Halal Product Guarantee in Indonesia emphasizes that products circulating in the market must be halal certified to ensure safety and legal certainty for Muslim consumers. The characteristics of halal products are not only seen from the raw materials used, but also from

the processing process which must avoid contamination of haram or unclean materials. For example, additives and auxiliary materials used in processed products must be clear about their halal status, and production and distribution facilities must be separated from non-halal products [19]. Halal products must also meet good food safety and quality standards in order to be widely accepted by Muslim and non-Muslim consumers.

International halal standards such as those implemented by the Islamic Food and Nutrition Council of America (IFANCA) and halal certification bodies in various countries emphasize transparency and accountability in the certification process. This is important to ensure that products labeled halal actually meet the requirements of Islamic law as well as strict quality standards. In Indonesia, BPJPH acts as a state institution that regulates and oversees the implementation of halal certification officially, replacing the role of MUI which was previously voluntary. Halal products are not only a religious necessity for Muslims, but also a strategic instrument in the development of Islamic economics and marketing halal products globally. The challenges that are still faced, especially related to socialization, certification costs, and access for MSME players, need to be overcome so that halal products can be widespread and accepted by a larger market [20].

Halal certificate

Halal certificate is an official document that guarantees that a product has met the halal requirements in accordance with the provisions of Islamic law and applicable laws and regulations. According to [21] a halal certificate is a guarantee to consumers that the raw materials and product processing are in accordance with halal standards set by the Halal Product Guarantee Organizing Agency (BPJPH) in Indonesia. This certification process involves several stages starting from submitting applications by business actors, checking documents by BPJPH, testing by the Halal Examining Agency (LPH), to determining halalness by the Indonesian Ulema Council (MUI) through a halal fatwa hearing. Halal certification not only serves as a guarantee of product halalness for Muslim consumers, but also acts as an added economic value that can increase product competitiveness in domestic and international markets [22]. The validity period of halal certificates in Indonesia is four years, with the obligation to extend before the validity period expires, which shows the importance of continuity in maintaining halal product standards.

Globally, halal certification is becoming an important instrument in the food, beverage, cosmetic and pharmaceutical industries to meet the growing needs of Muslim consumers. International halal standards such as those issued by the Islamic Food and Nutrition Council of America (IFANCA) and the Halal Certification Authority (HCA) in various countries emphasize the importance of a transparent and accountable certification process [23]. This standard requires a thorough audit of raw materials, production processes, storage and distribution so that the product is completely free from haram and unclean elements. Halal certification procedures in Indonesia require businesses to implement a Halal Product Assurance System (SJPH) as a prerequisite before registering products. SJPH includes management of raw materials, production processes, storage, packaging, and distribution in accordance with halal principles [24]. This process is closely monitored by LPH which has been

accredited by BPJPH, thus ensuring that audits and tests are carried out professionally and independently.

2.2 Materials

This research uses a literature review approach which aims to evaluate the Halal Product Guarantee Agency (BPJPH) policy and its impact on producer compliance with halal certification. In this study, the material objects studied are policies issued by BPJPH regarding halal certification, as well as documentation and literature related to producer compliance with these policies. The limitations of this research object are BPJPH policies issued in the 2015-2024 period related to halal certification procedures, as well as case studies from producers who have been involved in the halal certification process.

The unit of analysis in this study is the BPJPH policy and the level of producer compliance with the policy. This study examines the effect of BPJPH regulations and policies on producers involved in halal certification, focusing on identifying factors that influence producer compliance with these regulations. This type of research is descriptive-qualitative because it aims to describe and analyze the phenomenon of producer compliance with BPJPH policies based on available literature. The type of data used in this research is secondary data obtained from various sources of literature, journals, articles, books, and official BPJPH documents related to halal certification policies.

Participants in this literature review are sources of information that can be in the form of writings, previous research results, policy documents, and reports from related institutions or authorities. The information collected through these sources will be used to obtain an overview of the implementation of the BPJPH policy as well as an analysis of producer compliance with the policy. The research process begins with the literature search stage, which is the collection of relevant references from scientific journals, articles, and official documents related to BPJPH policies and producer compliance. The data collection technique is carried out using the literature study method, which includes searching, selecting, and analyzing sources of information related to the research topic.

The data obtained is then organized and analyzed systematically to find patterns that can explain the effect of BPJPH policies on producer compliance. The data analysis technique used is thematic analysis, where the author will identify the main themes that emerge from the collected literature, such as the challenges faced by producers, the factors that influence their compliance, as well as the effectiveness of the BPJPH policy in improving compliance. These findings will then be analyzed to provide a deeper understanding of the impact of the BPJPH policy on the halal industry in Indonesia.

3 Results and discussion

3.1 Results

Impact of BPJPH Policy on MSMEs

The results of this study show that BPJPH has established several policies since its establishment in 2015, one of which is the Minister of Religion Regulation No. 26 of 2020 which makes it easier for MSMEs to obtain halal certificates. Statistics show a significant

increase in the number of producers applying for halal certification after this policy was enacted. According to BPJPH data, the number of halal certifications issued to MSMEs in 2020 recorded more than 50,000 halal certificates compared to the previous year, which was only 30,000 halal certificates. BPJPH Regulation No. 3 of 2021 which regulates the reduction in halal certification fees for MSMEs also contributes to an increase in the number of MSMEs participating in the halal certification process. This is recorded in the BPJPH report which states that more than 60% of the total MSME players who carry out halal certification in 2021 are first-time registrants.

The relationship between BPJPH policies and increased producer compliance can be seen from the data which shows that the more policies that reduce barriers and costs for producers, the higher their level of compliance in obtaining halal certification. Policies such as regulations that reduce certification fees and ease the application process are directly related to the increasing number of halal-certified products. Despite the increase, challenges still exist in certain sectors, such as the fast food and cosmetics industries, which may feel that halal certification does not affect their competitiveness in the market. This suggests that while the BPJPH policy is effective for most sectors, there remains a gap in the adoption of halal certification by large manufacturers, which requires a more intensive approach and more in-depth education on the benefits of halal certification.

Determinants of Producer Compliance

Based on observations of BPJPH policies and halal certification practices from 2015 to 2024, the most dominant factors in influencing producer compliance are awareness of the halal market, certification costs, and ease of access to certification procedures. Data collected through literature studies show that producers who are more aware of the importance of halal certification for the domestic and export markets tend to follow the certification process more quickly. For example, food and cosmetics manufacturers that have penetrated international markets such as Unilever and Nestlé are more likely to have halal certification to meet global market standards. Observations also show that the BPJPH policy in reducing certification costs for MSMEs, as stated in BPJPH Regulation No. 3 of 2021, has increased MSME participation in the halal certification process. BPJPH data also shows that more than 65% of MSMEs applying for halal certification in 2022 are first-time MSMEs.

Policies issued by the Halal Product Guarantee Organizing Agency (BPJPH) between 2015 and 2024 show continuing efforts to improve the halal certification system in Indonesia. From the beginning of the formation of BPJPH to the latest policies in 2024, every regulation issued has the aim of simplifying, speeding up and improving the quality of the halal certification process. Policies such as reducing certification costs for MSMEs, implementing digital systems in halal certification, and integration with quality assurance and supervision systems show the government's commitment to encouraging financial inclusion, facilitating business actors, and improving the quality of halal products circulating in the Indonesian market. These policies not only provide better access for business actors, but also ensure that products that have halal certificates truly meet strict standards and requirements. Therefore, the regulations issued in the 2015-2024 period provide a strong foundation for the benefits and development of the halal product industry in Indonesia.

Field Challenges: Costs and Procedures

Based on case studies conducted on several companies that have implemented halal certification, it was found that the main challenge faced by producers in implementing BPJPH policies is that certification costs are still considered high, especially by MSME producers. For example, small and medium food producers in several regions feel that the costs of obtaining halal certification are very burdensome for them, even though there have been policies to reduce costs for MSMEs. Administrative processes and procedures that are considered complicated are also a major obstacle for producers. Many producers complain about unclear procedures and the time required to obtain a halal certificate, which ultimately results in ignition and slowdown in production. Case studies of small producers in the cosmetics sector show that they sometimes feel that there are no clear and systematic guidelines in the halal certification application process regulated by BPJPH.

There are also producers who consider halal certification as a business opportunity, especially in international markets. For example, large companies that already have international halal certification often do not feel the need to undergo BPJPH certification, even though it is important for the domestic market. The challenges faced by producers in implementing BPJPH policies are not only limited to costs and procedures, but also to producers' awareness and understanding of the importance of halal certification. Several studies show that many manufacturers, especially in the food and cosmetics industry sectors, are still not fully aware of the long-term benefits of having halal certification. In fact, they prioritize short-term profits rather than looking at long-term potential related to access to domestic and international halal markets.

Implementation Gaps and Recommendations for Improvement

Based on data obtained from several studies, even though there are policies for easy access and lower costs for MSMEs, the implementation of these policies is still not effective. The mismatch between BPJPH policies and the reality on the ground is the main factor hindering increased compliance. For example, even though the policy of low certification fees for MSMEs has been implemented, in reality many MSME producers have not utilized this facility, due to a lack of information or lack of socialization regarding the new procedures. The relationship between the challenges faced by producers and BPJPH policies shows that the mismatch between BPJPH policies and the reality on the ground is one of the biggest obstacles in achieving optimal levels of compliance. Data from case studies shows that large producers who already have halal certification from international institutions often do not feel the need to comply with halal certification issued by BPJPH, because they already have access to international markets. On the other hand, for MSME producers, even though there are cost incentives, they still face obstacles in the form of procedural complexity and a lack of understanding of the importance of halal certification.

There are opportunities for improvement in BPJPH policies, such as increasing outreach and education about halal certification and simplifying procedures. This research also identified that there is a need to strengthen the assistance system for MSMEs who are applying for halal certification for the first time so that they can more easily go through the process. The relationship between halal market awareness, understanding of BPJPH policies, and ease of

procedures greatly influences a producer's decision to take part in the certification process. Some opportunities for improvement in BPJPH policies that can increase the level of producer compliance are as follows: Simplification of certification procedures which can make it easier for producers to understand and follow the certification process, Increased outreach and education regarding the importance of halal certification to producers in various industrial sectors, especially MSMEs, Additional incentives for large producers to take part in BPJPH halal certification, such as ease of applying for certificates for companies that already have international halal certification, increased access to information and consultation regarding halal policies which can help producers undergo the certification process more efficiently.

Improving Compliance Through BPJPH Policy

This research found that BPJPH policies, such as Minister of Religion Regulation no. 26 of 2020 and BPJPH Regulation no. 3 of 2021, has succeeded in increasing producer compliance in obtaining halal certification, especially among MSMEs. BPJPH data reveals a significant increase in the number of halal certifications issued, from 30,000 in 2019 to more than 50,000 in 2020, as well as a dominance of new registrants by 65% in 2022. These findings also highlight that policies to reduce costs and simplify procedures are key factors in supporting this increase. Challenges still occur, especially among large manufacturers and the cosmetics and fastfood industry sectors who feel that halal certification does not affect their competitiveness. Other obstacles such as certification costs which are still considered high, complicated procedures, and lack of socialization also affect the level of producer compliance.

Follow-up Strategy

Based on these findings, an action plan that can be formulated includes several strategic steps. First, simplifying halal certification procedures needs to be prioritized by providing clear and systematic guidelines. Second, increasing socialization and education about the importance of halal certification must be carried out intensively in various industrial sectors. Third, the government needs to offer additional incentives for large producers to take part in BPJPH certification, such as ease of harmonization with international certification. Fourth, assistance for MSMEs, both through counseling and consultation, must be expanded so that they are better prepared to face the certification process. Finally, increasing transparency and access to information through digital platforms must continue to be developed to minimize procedural and administrative obstacles.

Interpretation These findings indicate that BPJPH policies that focus on reducing economic and administrative barriers have succeeded in having a positive impact on increasing producer participation, especially MSMEs. The strong relationship between reduced certification costs and producer compliance levels confirms that economic factors play an important role in the adoption of halal certification. However, the existence of obstacles such as costs which are still considered high by some small producers, as well as procedures which are considered complicated, indicate that the effectiveness of this policy is not yet fully optimal for all sectors. The increase in the number of producers applying for halal certification can be explained by the existence of policies that provide easier access and more affordable costs, especially for MSMEs. BPJPH policy that simplifies procedures and introduces digital systems through Minister of Religion Regulation no. 9 of 2022 allows

producers to obtain halal certificates more quickly without having to go through long and complicated procedures.

Comparison with Previous Research

This research is in line with previous studies which show the importance of costs and procedures as the main factors in the adoption of halal certification. For example, research on the government's role in supporting MSMEs also reveals that providing incentives and subsidies can increase the level of producer compliance. However, these findings show a gap with certain sectors such as cosmetics and fast food, which still view halal certification as an optional element. In contrast to large sectors such as Nestlé and Unilever which better understand the importance of halal certification to meet the global market. This research reflects that BPJPH policies have succeeded in increasing MSME participation in halal certification through cost incentives and simplification of procedures.

The limited understanding and awareness of producers, especially in the large sector, suggests a mismatch between policy implementation and the reality on the ground. Internal factors, such as religious awareness, and external factors, such as market demand and government regulations, play a role in influencing producer compliance. The policy is more effective for MSMEs than for large producers, who tend to have a preference for international certification. The interpretation of this study is that the BPJPH policy has a positive impact on increasing the number of halal-certified products, especially among MSMEs that are more responsive to cost incentives and ease of access.

Factors affecting producer compliance in meeting halal certification requirements can be explained through two main dimensions: internal and external. Internal factors include religious awareness and understanding of halal products among company owners and managers. Producers who have high religious values tend to be more aware of the obligation to obtain halal certificates as part of their commitment to sharia principles. In contrast, external factors are more related to market impact, government regulations, and ease of procedures. Producers who see high halal market demand or have easy access to halal certification services tend to be more motivated to fulfill certification requirements.

BPJPH's policy of introducing a digital platform and a faster certification process also plays an important role in improving effectiveness and efficiency. This digital system allows manufacturers to apply for certification easily, reducing previously high costs and lengthy processes. The reduction in certification costs through the policy of Minister of Religious Affairs Regulation No. 26 of 2020 is also an attraction for MSME producers to carry out halal certification. The relationship between factors affecting producer compliance and BPJPH policies shows a positive relationship between ease of access and cost reduction with the level of producer compliance with halal certification. The data shows that policies that introduce an easier and cheaper certification process result in an increase in the number of producers applying for halal certification, especially among MSMEs.

Despite supportive policies, there are still cultural barriers among large producers who consider halal certification to have little impact on their competitiveness, especially in the international market. For example, large food manufacturers that already have halal

certification from international institutions tend not to feel the need to follow BPJPH certification procedures. Despite the increase in the number of manufacturers complying with halal certification, there are still gaps in some industry sectors, especially in the cosmetics and fast food industries, where awareness and understanding of the importance of halal certification is still lacking. Therefore, BPJPH policies need to be strengthened with more intensive education and socialization campaigns to increase this awareness.

There is a gap in the large industry sector which suggests that compliance is not only influenced by government policies but also by manufacturers' perception of the economic value of halal certification. The existence of digital platforms and faster procedures provide important meaning that technological innovation is key to improving the efficiency and transparency of halal certification in Indonesia. The implication of the results of this study is the need to strengthen BPJPH policies with a more comprehensive approach. Simplification of procedures and intensive socialization need to be done so that more producers understand the long-term benefits of halal certification. additional incentives for large producers and collaboration with international certification bodies can help address the compliance gap. For MSMEs, special assistance will speed up the certification process and minimize administrative barriers and costs.

Implementation of Findings in Policy

The comparison of the results of this study shows significant differences between MSME producers and large producers in responding to the BPJPH policy. MSMEs tend to be more encouraged to follow halal certification due to cost incentives and ease of procedures, while large producers who already have international certification tend to ignore BPJPH certification. This indicates that the BPJPH policy is more effective at the MSME level than large industries. The positive relationship between cost reduction and increased compliance among MSMEs also distinguishes this result from the large industry sector which requires a more specific approach.

The results of this study can be implemented in the form of BPJPH policy development that is more responsive to producer challenges, such as simplifying administrative procedures and increasing the transparency of the certification process. BPJPH can also focus on more intensive education and socialization programs, especially for sectors that have not maximally adopted halal certification. In addition, the government needs to consider additional subsidies for MSMEs, as well as the development of systematic guidelines in the certification process. This step is expected to be able to overcome the gap in awareness and understanding of producers, while expanding the scope of the domestic and international halal market.

3.2 Discussion

Table 1. BPJPH policy 2015-2024 Period

Year	Policy/Regulation Name	Policy Description	Relevance to Halal Certification
2015	Minister of Religious Affairs Regulation No. 26 of 2015 concerning the	Became the foundational regulation for the establishment of BPJPH,	Established the legal basis for BPJPH and its

	Implementation of Halal Product Guarantee. [25]	outlining procedures and organizational duties.	role in managing halal certification processes.
2017	Law No. 33 of 2014 concerning Halal Product Guarantee (Implemented in 2017).[26]	Mandates halal certification for products circulating in Indonesia, including food, drugs, and cosmetics.	Requires producers to obtain halal certificates and assigns implementation to BPJPH.
2019	BPJPH Regulation No. 1 of 2019 concerning Halal Certification Procedures.[27]	Provides detailed procedures for halal certificate application, assessment, and issuance.	Standardizes certification processes and formalizes producer obligations.
2021	BPJPH Regulation No. 3 of 2021 on Halal Certification for MSMEs.[28]	Certification for MSMEs Simplifies the certification process and reduces costs specifically for MSMEs.	Improves access to halal certification and promotes compliance among small producers.
2022	Minister of Religious Affairs Regulation No. 9 of 2022 on Digital-Based Halal Certification.[29]	Introduces a digital platform for halal certificate applications and processing.	Enhances efficiency, transparency, and accessibility of the certification process.
2023	BPJPH Regulation No. 1 of 2023 on the Implementation of an Integrated Halal System.[30]	Integrates halal certification with quality assurance and product supervision mechanisms.	Ensures certified products maintain halal integrity and strengthens procedural oversight.
2024	Government Regulation No. 42 of 2024 on the Implementation of the Halal Product Guarantee Field.[31]	Provides comprehensive guidelines on halal processes, systems, and inspection bodies.	Establishes a robust legal framework for certification, assurance, and monitoring.

4 Conclusion

This study concludes that the policies issued by BPJPH since 2015, such as Minister of Religious Affairs Regulation No. 26 of 2020 and BPJPH Regulation No. 3 of 2021, have a positive impact on increasing the compliance of producers, especially MSMEs, in obtaining halal certification. Data shows a significant jump in the number of halal certifications issued after these policies were enacted, driven by reduced costs and ease of administrative procedures. The dominant factors influencing producer compliance include awareness of the potential of the halal market, reduced cost barriers, and easier access to the certification process.

The study also found that while the policy is effective for most sectors, there are still significant challenges, such as costs that remain high for some small producers, complicated administrative procedures, and low awareness of the long-term benefits of halal certification. Certain sectors, such as the fast food and cosmetics industries, show lower compliance rates as they still doubt the direct impact of halal certification on their market competitiveness.

To improve the effectiveness of this policy, the study recommends a more intensive approach, such as simplifying administrative procedures, transparency of the certification process, providing additional subsidies for MSMEs, and a more systematic education program on the

benefits of halal certification. Thus, the BPJPH policy can be more responsive to the needs of producers in various sectors, which ultimately supports the expansion of the halal market both domestically and internationally.

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