



RESEARCH ARTICLE

Developing Sharia Standards Legal Kitchen for Economic Growth: ASEAN Perspective

Heri Pratikto^{1*}, Ahmad Munjin Nasih², Abdul Basid³, Nurdeng Deuraseh⁴, Iva Khoiril Mala⁵, Norkhairiah⁶

^{1,2,3,5} Universitas Negeri Malang, Indonesia

^{4,6} Sultan Sharif Ali Islamic University (UNISSA), Brunei Darussalam

ARTICLE INFO**ABSTRACT**

Received: Oct 2, 2024

Accepted: Nov 15, 2024

Keywords

Halal

MSMEs

ASEAN

Economic Growth

This study discusses the development of "halal kitchen" standards as an effort to increase economic growth in the MSME sector in ASEAN, especially in Indonesia and Brunei Darussalam. The increasing demand for halal products and the commitment to sharia compliance encourage the need for halal certification, especially in the food sector. This study is qualitative with a case study between two countries that explores the role of government, academics, business actors, communities, and the media (pentahelix approach) in halal certification and identifies differences in policy between Indonesia and Brunei. The informants in this study consist of pentahelix roles that are in accordance with their respective fields of expertise. The results of this study emphasize that in Indonesia the government supports halal certification with a multistakeholder approach, allowing for independent declaration by MSMEs. Meanwhile, Brunei implements a centralized certification system with strict supervision by the government. The results show that the collaborative pentahelix system in Indonesia provides more flexibility for MSMEs, while the Brunei approach ensures strict quality control but with limited external involvement. These findings suggest that harmonization of halal standards at the ASEAN level is important to increase the global competitiveness of halal products from ASEAN.

***Corresponding Author:**

iva.mala.feb@um.ac.id,

heri.pratikto.fe@um.ac.id

INTRODUCTION

Global demand for halal products continues to increase, especially with the increasing awareness of Muslim consumers for the quality and safety of products that comply with religious standards. Halal kitchen, namely the application of halal standards in the food production process, plays an important role in meeting this demand. Indonesia and Brunei Darussalam as Muslim-majority ASEAN countries with great opportunities in the halal economy, have the potential to utilize the application of halal kitchen standards as the main driver of MSME economic growth. The development of the halal kitchen sector in MSMEs is expected to not only support the domestic economy, but also increase the competitiveness of Indonesian and Brunei products in the international halal market.

The latest report of the Global Muslim Travel Index (GMTI 2023), shows that Indonesia has succeeded in being in first place, this increase is an extraordinary achievement, where in 2021, Indonesia was ranked fourth and second in 2022. This condition also shows that. Indonesia has the potential to become the world's halal product production center. The value of halal food exports in 2020 increased by 38% (Ministry of Communication and Information of the Republic of Indonesia, 2021). This supports the acceleration of the halal industry. Based on Law of the Republic of Indonesia No. 33 of 2014 concerning Halal Product Assurance (JPH) Article 4A, every food business must be

halal certified. The halal certification scheme consists of regular and self-declare. The regular scheme requires product halal testing, while self-declare is only through a statement from the business actor. The industry in Indonesia is dominated by Micro and Small Enterprises (SMEs) more than 99% (Limanseto, 2022). Law of the Republic of Indonesia Number 11 of 2020 concerning Job Creation emphasizes that the self-declare scheme makes it easier for MSMEs.

Barriers and challenges related to the implementation of halal standards for MSMEs in Indonesia and Brunei. Kurniawan (2020) and Hidayat (2023) revealed that while halal certification has a positive impact on the competitiveness of MSME products, the constraints of certification costs, access to information, and complex procedures are the main obstacles for MSMEs. In Brunei, government regulations provide relatively strong support for the development of the halal industry, but MSMEs still face limitations in production scale and resources (Deuraseh, 2020). In Indonesia, the complexity of certification and limited access of MSMEs to halal procedures are major challenges in implementing halal kitchen standards comprehensively. This study aims to fill the research gap by exploring the role, constraints, and opportunities for developing halal kitchen standards as a strategy for economic growth of MSMEs in Indonesia and Brunei in the context of comparative policies and practices.

This research is in line with the objectives of the Sustainable Development Goals (SDGs), the development of halal kitchen standards supports several main SDGs. First, SDG 8: Decent Work and Economic Growth can be achieved by encouraging the MSME sector to increase competitiveness and expand access to the global halal market. Second, SDG 12: Responsible Consumption and Production can be realized through the implementation of halal production standards that guarantee the safety, cleanliness, and ethics of the products produced. Finally, by increasing the income and sustainability of MSMEs, halal kitchen standards also have the potential to help alleviate poverty according to SDG 1: No Poverty.

Indonesia is an ASEAN country with the potential to become the world's halal product production center. The value of halal food exports in 2020 increased by 38% (Ministry of Communication and Information of the Republic of Indonesia, 2021). This supports the acceleration of the halal industry. Based on Law of the Republic of Indonesia No. 33 of 2014 concerning Halal Product Assurance (JPH) Article 4A, every food business must be halal certified. The halal certification scheme consists of regular and self-declare. The regular scheme requires product halal testing, while self-declare is only through a statement from the business actor. The industry in Indonesia is dominated by Micro and Small Enterprises (MSEs) more than 99% (Limanseto, 2022). Law of the Republic of Indonesia Number 11 of 2020 concerning Job Creation emphasizes that the self-declare scheme makes it easier for MSMEs. By providing the implementation of halal kitchen standards, it is further regulated through the Decree of the Halal Product Assurance Organizing Agency (BPJPH) No. 33 of 2022 which strengthens the provisions regarding halal product guarantees for MSMEs. This policy aims to facilitate MSME access to halal certification by introducing simpler procedures and cost subsidies for micro-entrepreneurs. This decision also encourages the development of halal kitchens as a standard in food production for MSMEs, thereby accelerating the achievement of SDGs in Indonesia's halal economy sector. In addition, the Fatwa of the Indonesian Ulema Council (MUI) which regulates halal principles is an important foundation in the halal certification process in Indonesia, providing legal certainty and increasing consumer confidence in MSME products that are halal certified (Agustina et al., 2019).

Brunei Darussalam is the second ASEAN country to have a strict halal certification system and is fully supported by the government, although the scalability of MSMEs is still a challenge. Halal labels in Brunei Darussalam are strictly regulated by the Majlis Ugama Islam Brunei (MUIB) through the Halal Certificate and Halal Label Order, 2005. This regulation stipulates that every product that wants to be claimed as halal must meet a series of very strict halal requirements and standards, ranging from raw materials, production processes, to cleanliness of facilities. The halal certification eligibility test in Brunei is focused on strict procedures that follow globally recognized Sharia principles. This provides a competitive advantage for MSMEs in the international market, but also requires attention in terms of MSME readiness to meet these high standards. Supporting the pentahelix concept in the

evaluation of halal certification policies, each of these elements needs to work together to identify and resolve obstacles faced in the field. This collaboration allows for continuous monitoring and assessment of the impact of halal certification on MSME competitiveness and economic growth in ASEAN countries. Policy evaluation through the pentahelix (government, academics, business actors, communities, media) also allows for adjustments to regulations according to community needs, so that it can make it easier for MSMEs to achieve certification without reducing quality standards.

Given the research gap regarding the differences in approaches and challenges of implementing halal kitchen standards for MSMEs in Indonesia and Brunei, this study aims to explore the impact, role, and constraints of halal kitchen development as an economic growth strategy for MSMEs in both countries. This study is expected to provide insight into policies that support SDGs, as well as effective, inclusive, and sustainable halal kitchen implementation strategies for MSMEs in the context of a comparison of halal policies between Indonesia and Brunei.

LITERATURE REVIEW

Theory of planned behavior (TPB)

Developed by Ajzen (1991) is a behavioral theory that focuses on the intention and control of certain actions. In the context of halal kitchen, TPB can explain the intention of business actors to comply with the established halal standards. According to TPB, a person's intention is influenced by three main factors: attitude towards behavior, subjective norms, and perceived behavioral control.

- A. **Attitudes towards behavior:** If business actors have a positive attitude towards the importance of halal kitchens, then the intention to follow halal standards will be stronger.
- B. **Subjective norms:** Support from the community, family and other stakeholders also influences business actors' decisions to maintain halal standards.
- C. **Perceived behavioral control:** Business actors who feel they have the resources and capabilities to implement a halal kitchen tend to find it easier to meet halal standards.

By using TPB, this study can evaluate the factors that encourage or inhibit the implementation of halal kitchen among business actors.

Institutional theory

Institutional Theory refers to the idea that organizations are influenced by the norms, values, and rules that apply in their external environment (DiMaggio & Powell, 1983). In the context of halal kitchen, this theory helps explain how social norms, government regulations, and market pressures can encourage businesses to adopt halal standards.

- A. **Normative pressure:** Religious and social norms that emphasize the importance of consuming halal food can be a normative pressure for business actors to ensure their products meet halal standards.
- B. **Coercive pressure:** Pressure from regulators and governments, such as BPJPH regulations in Indonesia and the Majlis Ugama Islam in Brunei Darussalam, are driving forces for business actors to meet halal requirements.
- C. **Mimetic pressure:** In the face of market uncertainty, business actors may imitate other successful companies that have implemented halal kitchens as a strategy to increase consumer confidence.

Institutional Theory can be used to explain how companies feel the need to follow established halal standards, both for the sake of complying with regulations and to achieve a wider market share.

Research related to halal kitchen shows that the implementation of halal standards can increase product competitiveness in the global market, especially for countries with a Muslim majority population (S. Ahmad et al., 2021). Other studies also reveal that consumers tend to prefer products with credible halal certificates, especially those issued by official institutions such as the MUI in Indonesia and the MUIB in Brunei Darussalam (Ismail & Mokhtar, 2020). Research in Brunei emphasizes the importance of clearer regulations and collaboration between stakeholders to help MSMEs meet halal standards (Ab Talib et al., 2021). In Indonesia, research by Syafrida and Hamdan (2021) found that many MSMEs still do not fully understand the halal certification procedure,

indicating the need for education and support from the government.

Understanding and awareness of halal standards

Many business actors, especially among MSMEs, still do not understand the requirements and standards set for halal kitchens. Halal certification requires not only halal ingredients, but also production, storage, and distribution processes that are in accordance with halal principles (Zulianti & Aslam, 2022). This lack of knowledge has resulted in many business actors not complying with or even not applying for halal certification, so that their products cannot be marketed with an official halal label (Arif & Sidek, 2015).

Halal certification costs and infrastructure

Halal certification often requires large investments, both in terms of registration fees, inspections, and ongoing maintenance of halal standards. This is an obstacle for MSMEs with limited budgets (E. Rios et al., 2014). In addition, adjusting kitchen infrastructure and production facilities to comply with halal standards can be an additional financial burden.

RESEARCH METHOD

This research design uses an action research method with a qualitative approach. Action Research is a research method that focuses on active participation between researchers and participants to solve specific problems faced in a particular context. This method is collaborative and cyclical, where researchers not only observe or analyze phenomena, but also participate in designing and implementing relevant solutions, and evaluating the results continuously. According to Kemmis and McTaggart (1988), action research consists of a cycle of reflection, planning, action, and observation. Each cycle provides an opportunity to evaluate the actions that have been taken and plan the next steps based on the findings produced. The data collection techniques used were by conducting FGDs, in-depth interviews, observations and also documentation and document analysis in order to explore the views of each member of the halal certification organizer, academics, business actors and government officials. The following is a roadmap for the implementation of this research which can be seen in Figure 1.

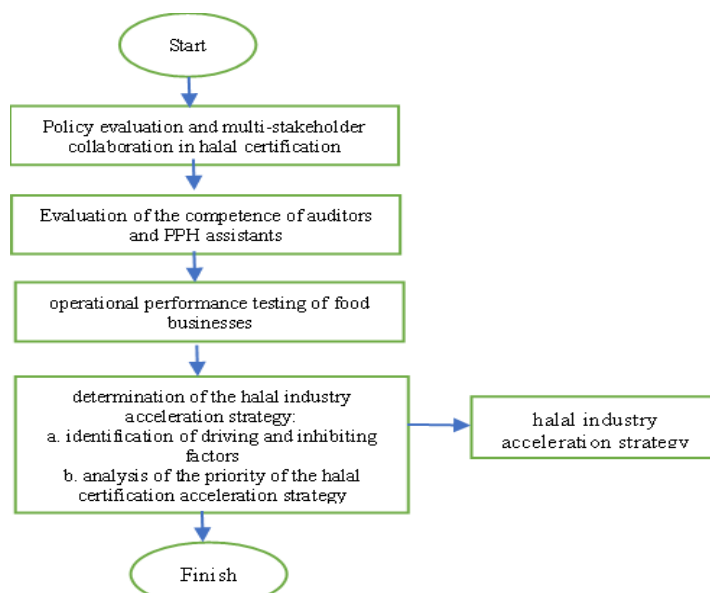


Figure 1: Research implementation stage

Informants in this study were selected based on their involvement or direct experience with the phenomenon being studied.

This research involved purposively selected informants from the five components of the pentahelix: government, academics, MSME players, community, and media. From the government sector, there

are several figures, namely Yandri Susanto from the House of Representatives; KNES; Tommy Andana from the Ministry of Trade; Andi Rizaldi from the Ministry of Industry; Idha Widi Arsanti from the Ministry of Agriculture; Masmin Afif from the MSME sector; and Muhammad Adin Silla from the Ministry of Education, Culture, Research, and Technology. In the academic field, the research involved "The Great" Winarno, a Professor from FEB UM, and Muhammad Fuad Bin Matahir, an associate lecturer.

From among MSME players, there are Innel Juita and Mushiningtyas Princess as MSME owners in Indonesia, as well as Pure Daeng and Shaleh Ali Muchin, MSME owners in Brunei. The community representative is Irma Juha, head of an MSME group. Meanwhile, from the media, the informants were Iber, head of the Brunei Media Group, and Praise be to Mahdi, head of the Indonesian Media Group. The selection of informants using this purposive technique was carried out to obtain diverse perspectives from each element of the pentahelix in supporting the development of halal kitchen standards for MSMEs.

RESULT AND DISCUSSION

Policy evaluation and multistakeholder collaboration in halal certification

Based on the results of this study, there is no specific standard for "halal kitchen standard" in Brunei. This shows that Brunei prioritizes adjustment to halal standards that have been recognized in the ASEAN region and other countries, as also mentioned in previous studies between 2019-2024, that ASEAN tends to have halal standards that can be adopted together (A. Ahmad, 2020). In implementing halal standards outside ASEAN, the Brunei government ensures the halalness of products by sending officers to verify the direct production process, similar to the practice in Malaysia which also applies strict verification to maintain halal quality (Yusof et al., 2022).

In Brunei, there are two types of halal certificates, namely Sijil for restaurants and Permith (halal label) for all other products, where both of these certificates are issued directly by the Kingdom (Deuraseh, 2022). This is different from the practice in Indonesia, which has begun implementing a "self-declaration" process for MSMEs to encourage the efficiency of halal certification (Pratama, 2021). Halal certification in Brunei requires an in-depth audit by a special team, without the involvement of external institutions such as universities. Several studies in Brunei (Rahman & Mansor, 2022) emphasize the importance of the role of internal government audits to maintain standards, without intervention from outside parties, in order to prevent potential conflicts of interest.

Universities in Brunei, such as Universiti Islam Sultan Sharif Ali (UNISSA), are only involved in research and halal socialization to the community without being allowed to provide assistance to MSMEs in the certification process (Deuraseh, 2022). In contrast, universities in Indonesia often provide halal certification assistance for MSMEs through cooperation programs with institutions such as BPJPH (Halal Product Assurance Agency), especially after the implementation of the Halal Product Assurance Law (2019) (Setiawan & Hasanah, 2023). In Brunei, the Religious Mufti, who is equivalent to a minister, is directly responsible to the King and has the authority to request universities to conduct halal-related research if necessary. This shows the Kingdom's strict control in the management and supervision of halal standards, which is also supported by BKMh (Halal Food Control Section).

BKMh, under the Ministry of Religious Affairs, has issued 2,500 certificates in the past three years. Halal auditors in Brunei are given additional authority by the kingdom to deal with violations, which is a form of strict oversight and is different from the system in Indonesia which relies on BPJPH and the Indonesian Ulema Council (MUI) with no direct law enforcement authority. The absence of regular meetings between BKMh and universities suggests a more centralized oversight structure in Brunei, compared to Indonesia, where there is regular collaboration between BPJPH and higher education institutions. The study highlights that there is no specific plan for halal kitchen standards in Brunei, even though kitchens are considered an important element in halal audits. The prohibition

on the use of names that could cause confusion, such as Paradise for restaurants, underscores Brunei's very strict approach to understanding halal as a whole. This finding contrasts with the halal certification process in Indonesia, which recently implemented a simpler and more efficient scheme to encourage MSMEs to obtain halal certification, in line with the recommendations of a 2022 study (Hidayat, 2023).

The research findings show that the pentahelix approach in the context of policy evaluation and multi-stakeholder collaboration on halal certification plays a significant role in forming an effective and inclusive halal ecosystem, especially in Indonesia. Pentahelix enables collaboration between government, academics, businesses, communities, and the media to create synergy in supporting halal certification. In Indonesia, the government acts as the main regulator with BPJPH and KNEKS setting halal standards and providing more accessible certification pathways, especially for MSMEs through the self-declaration scheme. Academics support this process with research that helps improve the quality and understanding of halal standards, and plays a role in socialization to the community. Businesses, especially MSMEs, actively participate in the certification process, which is strengthened by guidance and technical assistance from various institutions, including universities. On the other hand, the community has a role in increasing demand for halal products, which encourages business actors to follow halal standards. The media also plays an important role in disseminating information about the benefits of halal certification, helping the community understand the importance of halal products and encouraging transparency throughout the ecosystem. This study confirms that collaboration through pentahelix creates a more inclusive and efficient system in halal certification in Indonesia, allowing MSMEs to thrive in the halal ecosystem. In contrast, in Brunei, the role of multistakeholders is still very limited with full control from the government, resulting in a lack of flexibility and participation from other parties, although this centralized system provides tighter quality control. The following are conceptual results of the multistakeholder system in certification.

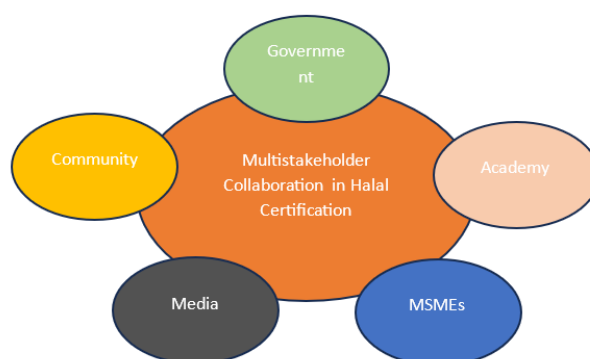


Figure 2: Pentahelix model of multistakeholder collaboration in certification

The findings of the research from the informant study explain that in developing the halal kitchen concept, the government plays an important role as an initiator, regulator, and facilitator. In Indonesia, this role is carried out by a number of government figures and institutions that collaborate to support the growth of the halal kitchen industry. Mr. H. Yandri Susanto, S.Pt, as a member of the Indonesian House of Representatives, together with Ir. Putu Rahwidhiyasa, MBA, CIPM, as a halal supervisor from KNEKS, provided support in designing policies and supervising halal regulations. In addition, Tommy Andana, SIP., MAP, from the Ministry of Trade, played a role in maintaining the business climate and inter-institutional relations to ensure stability and synergy in the implementation of halal certification. Andi Rizaldi from the Ministry of Industry, who is responsible for standardization and industrial policy, worked together to ensure that halal standards were consistently applied in the food and beverage industry. Dr. Idha Widi Arsanti, SP, MP, as the Head of the Agricultural Extension and Human Resources Development Agency from the Ministry of Agriculture, provided training and capacity building for business actors to meet halal standards. Masmin Afif, M.Ag., from KUKM, supports macroeconomic policies to improve the competitiveness of halal products of MSMEs, while Muhammad Adin Silla from the Ministry of Education, Culture,

Research and Technology ensures that education and public relations related to halal kitchens run smoothly. Overall, the Indonesian government, through the collaboration of these institutions, acts as a regulator that sets halal standards and requires product certification, as well as a facilitator that provides financial assistance and training through the Halal Product Guarantee Agency (BPJPH). Unlike Indonesia, in Brunei the government's role in halal kitchens is very focused on implementing strict standards with a very conservative approach to Islamic law. Informants from the Brunei government stated that the halal standards implemented not only involve regulation, but also comprehensive supervision throughout the production chain. This is done to maintain strict compliance with sharia and build international trust in Brunei's halal products, which have a strong reputation in the global market. The Brunei government plays a major role in directly monitoring halal kitchens and ensuring that every process, from raw materials to distribution, meets strict halal standards without compromise. This difference reflects Brunei's very strict focus on halal standards and supervision, while in Indonesia the government's role is more focused on synergy between institutions, providing training, and facilitating the development of the halal industry to be more inclusive and affordable for MSMEs.

Academic informant Prof. Agung Winarno, MM from Malang State University explained that they act as conceptors who formulate halal kitchen methods and models according to local needs. Academics in Indonesia develop business models and training that help MSMEs adopt halal standards, especially in the food and beverage sector. In Brunei, academic informant Muhammad Fuad Bin Matahir emphasized the importance of research and development of human resources who understand halal law in depth. They also provide strategic input to the government and business actors to increase the competitiveness of Brunei's halal products in the international market.

In the context of business actors, informants from Indonesia Innel Juita explained that business actors have a role as policy executors, where they must be fully committed to following the established halal regulations. In Indonesia, business actors face challenges in implementing halal standards in every production process, but with the support of training and incentives from the government, many are trying to fulfill this commitment. In Brunei, Daeng Murni acknowledged the importance of compliance with the strict standards imposed by the government, given the high expectations of domestic and international consumers for the halalness of products from Brunei.

According to Irma Juha, an informant from a community in Indonesia, the community plays a role as an activist and strengthener in supporting halal kitchens. They actively conduct campaigns, socialization, and education to the community to increase awareness of the importance of halal products. The community stated that the community not only educates the public, but also helps promote halal values that are a source of national pride and supports the growth of the halal industry based on sharia.

The role of the media in Indonesia as an expander was also emphasized by Syukron Mahdi, namely disseminating information about halal kitchens and increasing public awareness through various platforms, including social media. Iber, an informant from Brunei, said that the media is an important tool for building Brunei's image as a global halal center, by disseminating information about high-quality halal products exported abroad. The media helps expand market reach by increasing the visibility of halal kitchens among domestic and international consumers.

The relevance of the halal kitchen concept in Indonesia and Brunei lies in the same goal: to build a strong and globally competitive halal industry ecosystem. Both countries have a Muslim majority population and strong religious values, which underlie full support for halal kitchens. Through pentahelix synergy, Indonesia and Brunei can strengthen their positions as halal hubs in Southeast Asia and in the international market, with each party playing a role in the pentahelix to advance sustainable and highly standardized halal kitchens.

Based on the findings in the field, it is stated that there is a halal service process by requiring standardization and regulation of halal policies, development of halal raw material production, development of halal forensic testing, development of halal business and industry; halal food

products; halal service; halal lifestyle, halal tourism, Islamic finance, education on awareness of halal product assurance, halal human resources (auditors and supervisors). The role of the government in PMA No. 20 of 2021 concerning halal certification for MSMEs must be in accordance with the 5 pillars of the Halal Product Assurance System (SJPH) criteria such as commitment and responsibility, all materials, halal PPH product processes, product outputs, and monitoring and evaluation. In a multi-stakeholder context, the findings of this study show that Brunei and Indonesia have different approaches to halal certification, especially in terms of the involvement and roles of various parties. In Brunei, halal certification standards are implemented centrally by the government, especially through the royal authority and institutions such as the Halal Food Control Section (BKMH). This certification is done without self-declaration and involves halal auditors with direct authority, which creates a highly controlled system but limited in participation from outside parties, such as universities or SMEs. This shows that the multi-stakeholder structure in Brunei tends to be closed, with the government as the sole control and authority in the halal process.

Indonesia The National Committee for Sharia Economics and Finance (KNEKS) plays an active role in building an inclusive halal ecosystem by involving various stakeholders, such as BPJPH, MUI, universities, and the MSME community. As the main coordinator, KNEKS encourages a broader multi-stakeholder approach by embracing collaboration between various parties. BPJPH acts as a regulator that ensures halal certification, MUI provides halal fatwas, while universities also support through training, research, and technical assistance for MSMEs. This system allows MSMEs to be more active in the certification process through self-declaration, thereby increasing the efficiency and affordability of halal certification among small business actors.

International level KNEKS also cooperates with global halal institutions to promote the harmonization of halal standards, so that Indonesian halal products can be accepted in the international market, including countries such as Brunei. This indicates that the multistakeholder approach in Indonesia includes cross-country cooperation to facilitate the distribution of halal products. Meanwhile, Brunei relies on its internal authority to supervise halal products from abroad by sending auditors to the producing country.

In addition, in terms of halal literacy and education, KNEKS involves communities, government, universities, and business actors to increase public awareness of the importance of halal products. In Brunei, socialization is carried out on a limited basis through universities without direct assistance for producers. In terms of socialization, KNEKS also has an important role in increasing halal literacy among the Indonesian people, both as consumers and producers, through public education campaigns. This is different from Brunei, which relies on universities as parties that provide socialization related to halal. With this more comprehensive strategy, KNEKS helps encourage MSMEs in Indonesia to be better prepared to face global competition in the halal product ecosystem that continues to grow at the ASEAN and world levels.

Competency evaluation of PPH auditors and companions

The results of this study indicate that the two countries have very different approaches in the competence and role of auditors and facilitators in halal certification. In Brunei Darussalam, halal auditors are under the strict control of the Halal Food Supervision Unit (BKMH) operated by the kingdom, with competencies directed at enforcing regulations and quality control. Auditors in Brunei are given the authority to act as both supervisors and enforcers of halal standards. This reflects the Institutional Theory, where the supervision structure is hierarchical and the government has full control over certification. Previous studies support this finding by emphasizing that auditors in Brunei are subject to strict standards set by the government, which ensures centralized halal supervision and does not provide space for external parties, such as universities or other institutions, to play a role in the halal certification process (Ab Talib et al., 2021; Kifli, 2019).

In Indonesia, the approach applied is more inclusive, reflecting the principles of Stakeholder Theory, where various stakeholders are involved in the halal certification process. BPJPH, KNEKS, MUI, universities, and MSMEs collaborate to create a more participatory certification ecosystem. Halal

auditors in Indonesia not only act as supervisors but also as PPH assistants who assist MSMEs in meeting halal standards. This shows the application of the Resource-Based View (RBV) and the Theory of Planned Behavior (TPB), because auditors and assistants in Indonesia play a role in improving the capabilities of MSMEs through guidance and training, which helps them achieve independent halal declarations. Studies by Setiawan & Hasanah (2023) and Pratama (2021) support this approach by finding that MSMEs in Indonesia feel more assisted in meeting halal standards through the support of PPH assistants, who also act as liaisons between MSMEs and the government. The following are various designs carried out by the halal acceleration team in Indonesia, which can be seen in Figure 3 below.

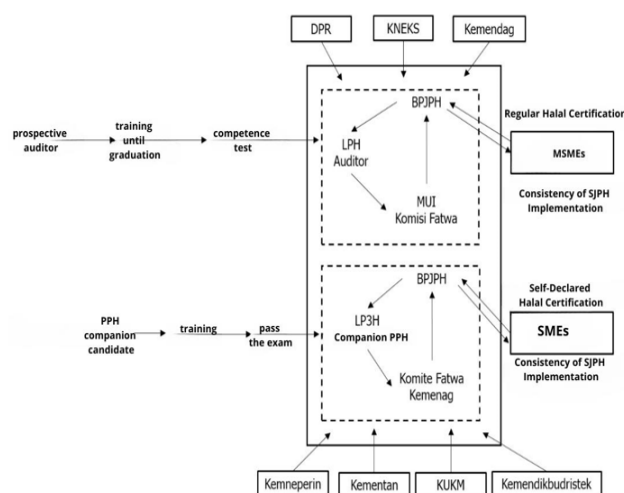


Figure 3: Halal certification acceleration identification process in indonesia

This collaborative approach allows MSMEs in Indonesia to participate more actively and independently in the halal certification process, unlike Brunei which relies more on a single government oversight structure. Institutional Theory explains how the full control of the government in Brunei forms a highly controlled certification system, while Stakeholder Theory in Indonesia creates a more dynamic ecosystem, allowing universities and MSMEs to play an active role in the halal ecosystem. In conclusion, the results of this study indicate that the centralized and hierarchical system in Brunei ensures strict halal quality control, but is less flexible for MSMEs. In contrast, the multistakeholder approach in Indonesia provides broader support to MSMEs, allowing them to thrive in a more inclusive and collaborative halal ecosystem.

Determination of priority strategies for accelerating the halal industry in ASEAN countries based on SWOT analysis

The results of the study based on the SWOT analysis explained that the strategy to accelerate the halal industry in ASEAN, especially Indonesia and Brunei Darussalam, has significant strengths and opportunities, but faces several weaknesses and threats that require strategic attention. Several previous studies support this finding by showing Indonesia's potential as a "halal hub" in ASEAN, given its large population and increasing demand for halal products (Arif & Sidek, 2015). On the other hand, Brunei Darussalam is known for its strict halal regulations and can be used as a model for halal standards for other ASEAN countries (Limanseto, 2022). However, Indonesia has weaknesses in terms of infrastructure and regulations that are not uniform between regions, thus hampering the efficient halal supply chain (Rofi'ah et al., 2024). Brunei itself has a small domestic market, which makes it more dependent on exports and collaboration with other countries to develop the halal industry (Azalie & Samad, 2022).

These findings highlight the importance of collaboration between countries to capitalize on the huge opportunities in the global halal market, especially with the increasing demand from the Middle East and non-Muslim countries at the ASEAN level (Othman et al., 2016). By harmonizing halal standards

between ASEAN countries, Indonesia and Brunei can increase their competitiveness in this industry. However, the threat of intense competition from non-Muslim countries, such as Thailand and South Korea, which are also investing in halal products, can threaten the position of ASEAN countries in the global market (Abdullah & Azam, 2020). Facing this situation, the study suggests that priority steps such as harmonizing halal certification standards at the ASEAN level and developing digital infrastructure for certification in Indonesia need to be taken immediately. Brunei can play an important role as a regional halal training and education center, by leveraging its advantages in international regulation and certification (Azalie & Samad, 2022).

CONCLUSION

The study concluded that Brunei does not have a specific “halal kitchen standard” and rather aligns its certification practices with the halal standards recognized in the ASEAN region and internationally. This alignment reflects the tendency of ASEAN countries to have uniform halal certification standards, with Brunei ensuring halal compliance by conducting on-site inspections abroad similar to those implemented by Malaysia.

Brunei has a highly centralized halal certification system with two types of halal certificates issued directly by the Kingdom: Sijil for restaurants and Permith (halal label) for all other products. Unlike Indonesia, which has introduced a “self-declaration” scheme for MSMEs to expedite halal certification, certification in Brunei involves in-depth audits by a dedicated team without external involvement from institutions such as universities. Brunei’s centralized approach includes rigorous internal government audits to maintain independence and avoid potential conflicts of interest.

The role of universities in Brunei, such as Universiti Islam Sultan Sharif Ali (UNISSA), is limited to research and halal socialization initiatives without providing direct support for MSME certification. In contrast, universities in Indonesia often assist MSMEs through cooperation with the Halal Product Assurance Agency (BPJPH), especially since the implementation of the Halal Product Assurance Law (2019).

This study found different approaches between the multi-stakeholder halal certification systems in Indonesia and Brunei. In Brunei, the system is more centralized, with the government and institutions such as the Halal Food Control Section (BKMh) having full control, limiting the involvement of external parties such as MSMEs and universities. This strict regulatory structure provides strong halal quality assurance, but with limited flexibility and external involvement. In contrast, Indonesia’s approach is more inclusive and collaborative, with active involvement from BPJPH, the Indonesian Ulema Council (MUI), universities, and MSMEs coordinated by the National Committee for Sharia Economics and Finance (KNEKS). This structure allows MSMEs to be more active in the certification process through self-declaration, thereby increasing the accessibility of certification. KNEKS also collaborates with international halal organizations to align Indonesian halal standards with global practices and expand market access.

The role of auditor and facilitator embodied by Brunei operates under the strict authority of BKMh as the enforcer of halal standards, reflecting an institutional model with hierarchical oversight. Indonesia’s approach, based on Stakeholder Theory, is more participatory. Halal auditors in Indonesia, in collaboration with KNEKS and BPJPH, also provide guidance to MSMEs, creating a Resource-Based View where auditors not only monitor compliance but also support MSMEs in meeting halal standards.

The study concluded that the centralized approach in Brunei ensures strict quality control but is limited in flexibility for MSMEs, while the multistakeholder model in Indonesia managed by KNEKS offers broader support, creating an inclusive and collaborative halal ecosystem.

Implication

The implications of the results of this study indicate that the application of a multistakeholder approach, such as pentahelix, in halal certification can strengthen the halal ecosystem, especially in countries with many MSMEs such as Indonesia. In Indonesia, the involvement of various parties, ranging from government, academics, businesses, communities, to the media, has resulted in an inclusive and efficient system in supporting halal certification, so that MSMEs can more easily meet halal standards and compete in the global market. This has a positive impact on economic growth, because it expands opportunities for MSMEs to participate in the halal industry, both in the domestic and international markets. This approach also helps the public to be more aware of the importance of halal products, thereby increasing demand for halal-certified products and strengthening consumer confidence.

The results of this study highlight the challenges faced by countries that implement a centralized and closed system, such as Brunei, where full government control provides tight oversight but limits the role of outsiders, such as MSMEs and academics. This system, while ensuring quality and consistency of certification, is also less flexible and may be less responsive to the needs of small business actors. These implications point to the importance of adapting and harmonizing halal certification standards at the ASEAN level, so that countries with different approaches can learn from each other and work together to optimize the potential of the regional halal market. This is also relevant for government policies in other ASEAN countries that want to develop the halal industry by considering a more collaborative strategy.

The novelty of this study lies in its comprehensive comparative analysis between two contrasting halal certification systems: Brunei's highly centralized approach and Indonesia's collaborative pentahelix model. While previous studies focus primarily on country-specific halal regulations, this research breaks new ground by examining how a pentahelix multi-stakeholder collaboration model could enhance MSME participation, accessibility, and efficiency in halal certification systems. This study also contributes to the literature that combines Stakeholder and Institutional theories in the context of halal certification and highlights Indonesia's potential as a model for other ASEAN countries in building an inclusive and competitive halal ecosystem.

Acknowledgments

We extend our heartfelt gratitude to the institutions, departments, and individuals whose support and resources were crucial to this research. We would like to express special thanks to the faculties, organizations, and many informants in Indonesia and Brunei Darussalam, whose insights and collaboration proved to be indispensable. Additionally, we recognize the significant contributions of our colleagues and research assistants throughout this study.

REFERENCES

- Ab Talib, M. S., Pang, L. L., & Md Said, N. A. (2021). What can the Brunei government do to encourage halal logistics adoption: Lessons from the literature. *Operations and Supply Chain Management*, 14(4). <https://doi.org/10.31387/oscm0460304>
- Abdullah, M. A., & Azam, M. S. E. (2020). Halal Industry in ASEAN: Issues and Challenges. In *Economics, business, and Islamic finance in ASEAN economics community*.
- Agustina, Y., Pratikto, H., Churiyah, M., & Dharma, B. A. (2019). The Importance of Counseling on Halal Product Assurance Certification for Small and Medium Enterprises (SMEs). *Journal of Graha Pengabdian*, 1(2).
- Ahmad, A. (2020). Standardization of Halal Certification in ASEAN: Challenges and Opportunities. *Journal of Halal Studies*, 12(3).
- Ahmad, S., Othman, M., & Harun, A. (2021). The Role of Halal Certification in Enhancing Market Competitiveness of SMEs in the Global Market. *Journal of Halal Marketing*, 2(3).
- Ajzen, I. (1991). The theory of planned behavior. *Organizational Behavior and Human Decision Processes*, 50(2), 179–211. [https://doi.org/10.1016/0749-5978\(91\)90020-T](https://doi.org/10.1016/0749-5978(91)90020-T)

- Arif, M., & Sidek, N. (2015). The Role of Awareness in Halal Certification for Small and Medium Enterprises. *Procedia Economics and Finance*, 2(3).
- Azalie, I. A. N., & Samad, N. F. H. (2022). Brunei as a Global Halal Food Hub: Production Network and Strategic Relations in Halal Food Production. *Journal of Contemporary Islamic Studies*, 8. <https://doi.org/10.24191/jcis.v8i3.1>
- Deuraseh, N. (2022). *Proceeding of 2nd Malikussaleh Internasional Conference on Law , Legal Studies and Social Science (MICO LLS) 2022 Reconstruction of the Higher Objective of Islamic Law (Maqasid Shariah) to Strengthen Halal Industry with Special Reference to Halal Envir.* 1–9.
- Deuraseh, N., & Darussalam, N. B. (2020). Review of halal food standard PBD24: 2007 in Negara Brunei Darussalam towards quality and safety food. *KnE Social Sciences*, 123–140.
- DiMaggio, P. J., & Powell, W. W. (1983). The iron cage revisited: Institutional isomorphism and collective rationality in organizational fields. *American Sociological Review*, 48(2), 147–160.
- E. Rios, R., E. Riquelme, H., & Abdelaziz, Y. (2014). Do halal certification country of origin and brand name familiarity matter? *Asia Pacific Journal of Marketing and Logistics*, 26(5), 665–686.
- Hidayat, M. (2023). Simplifying Halal Certification Processes for SMEs in Indonesia: A New Approach. *Journal of Halal Economy and Business*, 3(1).
- Ismail, M., & Mokhtar, H. (2020). Consumer Perception on Halal Products Certification in Brunei Darussalam. . . *Brunei Journal of Islamic Finance*, 8(2).
- Kemmis, S., & McTaggart, R. (1988). The action research planner. Deakin University. Victoria.
- Kifli, H. (2019). Halal Certification in Brunei. *Institute of Asian Studies: Working Paper Series. Bandar Seri Begawan: Institute of Asian Studies, Universiti Brunei Darussalam.*
- Kurniawan, A. (2020). Obstacles and Challenges in Halal Certification for MSMEs. *Journal of Islamic Economics and Business*, 5(2).
- Limanseto, H. (2022). The Development of MSMEs as a Critical Engine of the National Economy Continues to Receive Government Support. *Ekon. Go. Id.*
- Ministry of Communication and Information of the Republic of Indonesia. (2021). *Government's Commitment to Make Indonesia a Center for Halal Producers.*
- Othman, B., Shaarani, S. M., & Bahron, A. (2016). The potential of ASEAN in halal certification implementation: A review. In *Pertanika Journal of Social Sciences and Humanities* (Vol. 24, Issue 1).
- Pratama, A. (2021). Self-Declaration in Halal Certification for SMEs in Indonesia: Improving Efficiency and Accessibility. *Journal of Halal Industry and Services*, 5(2).
- Rahman, H., & Mansor, M. (2022). The Role of Government Audits in Maintaining Halal Certification Standards in Brunei. *Journal of Islamic Governance*, 10(1).
- Rofi'ah, K., Safira, M. E., & Rosele, M. I. (2024). The Effectiveness of Accelerating Halal Product Certification: Regulations and Companions. *Journal of Human Rights, Culture and Legal System*, 4(2), 449–476.
- Setiawan, F., & Hasanah, M. D. (2023). Pengembangan Green Halal Tourism dengan Metode SOAR dan Analytical Hierarchy Process. *JIEI: Jurnal Ilmiah Ekonomi Islam*, 9(01).
- Syafrida, S., & Hamdan, H. (2021). Halal Certification Process for MSMEs in Indonesia: Analysis of Education and Support Needs. *Journal of Islamic Economics and Business*, 6(1).
- Yusof, A., Siti, A., & Rahman, A. (2022). Challenges and Opportunities of Halal Certification for SMEs in Brunei. *Journal of Islamic Business and Economics*, 4(1).
- Zulianti, D., & Aslam, N. (2022). Implementation Of Management System On Halal Certification For Medan City MSMES Actors. *CASHFLOW : Current Advanced Research On Sharia Finance And Economic Worldwide*, 1(3), 11–16. <https://doi.org/https://doi.org/10.55047/cashflow.v1i3.166>