

Halal Certification as Sharia Legitimacy for Economic Empowerment of Zakat Mustahiq

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Abstract

Zakat is one of the economic instruments in Islam whose main purpose is the enforcement of economic justice. Zakat during the Covid-19 pandemic is very much needed by the community to overcome economic problems for those affected by Covid-19. This article explores the problems of the fiqh arrangement of zakat distribution for people affected by Covid-19 and the fulfillment of their socioeconomic justice rights through zakat instruments. This article was studied normatively with secondary legal materials using descriptive analysis. The results of the study show that zakat has been used to reduce poverty due to Covid-19. This has become the legitimacy of distributing zakat to communities affected by Covid-19. Based on MUI Fatwa No. 23 of 2020, zakat may be used for community needs due to the Covid-19 outbreak. Communities affected by Covid-19 can be classified as *mustahiq* faqir because they are victims of natural disasters and social disasters. The distribution and utilization of zakat to the poor affected by Covid-19 is basically the fulfillment of social and economic justice for the community, which is the essence of zakat as an economic instrument for the people. Zakat is an instrument of the Islamic economy and one of its purposes is to improve the welfare of the poor (*dhuafa*). To empower productive enterprises by *mustahiq* zakat in the form of goods and services that can be accepted by the community through halal product certification. The problem faced in the field is that the common products of goods and services produced by *mustahiq* zakat have not been certified halal, so they do not have gained the *syar'i* legitimacy which has implications for the economic improvement of *mustahiq*. This study is a normative legal research that emphasizes descriptive secondary data. The results of this study show that halal certification is part of the *syar'i* legitimacy to provide guarantees to the Muslim consumer. Halal certification of goods and services produced by *mustahiq* zakat through productive zakat has not been implemented optimally due to low legal awareness of *mustahiq* regarding halal certification, limited advocacy from zakat management agencies, expensive certification costs, and bureaucratic certification procedures.

Keywords: Economic empowerment, halal certification, sharia legitimacy, zakat

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1. Introduction

Zakat is a religious institution whose function is to achieve social justice for all mankind by paying attention to and increasing concern for the poor (Zainuddin and Sahban, 2021). In addition, zakat funds can free their recipients from poverty and improve their living standards (Abu Bakar and Abd Ghani, 2011). This makes zakat an economic instrument that is intended to reduce economic disparities that occur in society. In particular, zakat in its distribution is prioritized for people who are lacking in wealth.

Zakat as one of the pillars of Islam is a fiscal instrument of the state that serves not only to distribute the welfare of the people more justly and evenly but is also an integral part of human accountability to Allah SWT. for the sustenance He has provided. Therefore, the government's role in the management of zakat cannot be denied so that zakat objectives can be achieved, namely the welfare of the people (Zainuddin and Khalid, 2020)

The philosophical foundation of zakat as mandated by The Law of the Republic of Indonesia No. 23 of 2011 on Zakat Management stated that zakat is a religious medium which aimed to improve the equality and welfare of the people (Zainuddin, 2018).

Zakat is a ritual that has two dimensions, namely vertical and horizontal, which mean as a form of obedience to Allah (vertical) and as an obligation to fellow humans (horizontal). *Zakat* is also often referred to as *maalayah* *ijtihadiyah*. The level of importance of *zakat* can be seen from the number of verses (ayat) (around 82 verses) that juxtapose the commandments of *zakat* with the commands for prayer (salat). (Daulay, 2018)

The obligation of *zakat* in Islam has fundamental implications, besides being closely related to divine aspects, *zakat* is also closely related to economic and social issues. Related to the divine aspect (*hablunminallah*) several verses of the al-Qur'an emphasize the problem of *zakat*, including 27 verses that juxtapose the obligation of *zakat* with the obligation to pray simultaneously (Bahri S, 2016).

Zakat funds can be an incentive for the poor as part of efforts to help him become an economically productive recipient if the funds are distributed sustainably. In addition, zakat funds can free their recipients from poverty and improve their living standards (Abu Bakar and Abd Ghani, 2011). By zakat given to *mustahiq* as a support for increasing the use of productive zakat. The development of productive zakat is done in the form

of business capital. This concept was developed because the micro-enterprises of *mustahiq* are unable to access capital from formal financial institutions such as banks and others. In fact, the micro-enterprises of *mustahiq* have great potential to be developed. These Micro-enterprises are feasible but nonbankable (Dwi Wulansari and Hendra Setiawan, 2014).

One of the efforts to empower the zakat *mustahiq* economy is the halal certification of zakat *mustahiq* goods and services, which in fact are Micro, Small and Medium Enterprises (MSME) entrepreneurs. One of the efforts in empowering the economy of zakat *mustahiq* is halal certification of goods and services products of zakat *mustahiq* as a MSME. The tendency of Muslim consumers to compile halal products is increasing (halal awareness). The few factors that influence consumers such as religious beliefs, self identity, marketing mix, and halal certification labels (Prayoga, 2018).

The empirical fact shows that in 2019 the number of halal certificates issued by the Food, Medicines and Cosmetics Assessment Institute of the Indonesian Ulama Council (LPPOM MUI) amounted to 15,495 with a total of 274,796 products from 13,951 Companies. This means that only 5.63% of products are halal certified by LPPOM MUI.

Based on the report by Thomson Reuters and Dinar Standard entitled, "The State of the Global Islamic Economy Report 2018/19", there are two major challenges in the halal certification of a product, namely: 1) lack of global alignment, halal falls into the best practice because the lack of generally accepted standards among certification agencies globally, often resulting in duplication of certification costs and complexity; 2) limited oversight, there are more than 300 certifiers which are officially recognized, but the limited oversight by certification agencies still leaving substantial room for misstatement (Reuters and Standard, 2018).

Based on the description above, this paper focuses on the syar'i legitimacy of products through halal certification in an effort to empower the economy of zakat *mustahiq* with two main problems, namely (1) economic empowerment of zakat *mustahiq* through halal certification of products as syar'i legitimacy; (2) obstacles faced in halal certification for the products of zakat *mustahiq*.

2. Research Methode

This type of study is normative legal research. Normative research is a study conducted by conceptualizing the law as something written in the statute or a rule and norm that becomes the benchmark of behavior (Efendi and Ibrahim, 2018) Related to this type of research, the approach used is the statutory and conceptual approach. The data used in this study is secondary data that is divided into primary legal materials namely legislation and secondary legal materials, consisting of journals, reports/news in the mass media. The secondary data is obtained through library research techniques, the data is then analyzed descriptive-qualitatively.

3. Discussion Analysis

3.1. Economic Empowerment of Mustahiq Through Halal Certification

Covid-19 has shattered the social, health, and economic foundations of countries in the world starting from a market in Wuhan, China in December 2019, has quickly spread throughout China in the last 2 months. The ongoing outbreak in China and the rapid worldwide spread of SARS-Cov-2, causing Covid-19, has led to the declaration of a Public Health Emergency of International Concern by the World Health Organization (WHO) on January 30, 2020 (Qin, et.al., 2020).

Normatively, Islam with its source of references namely the Qur'an and the Hadith has ordered Muslims to consume halal and good food. The verse which commands to eat good food, namely food that is lawful and beneficial for health is found in Q.s al-Baqarah [2]: 168, its meaning: O mankind, eat from whatever is on earth [that is] lawful and good and do not follow the footsteps of Satan. Indeed, he is to you a clear enemy.

The existence of the command of Allah SWT., in QS Al-Baqarah (2): 168 above gives the meaning that consuming halal and good goods is part of Islamic Sharia. To follow up on Allah SWT.'s commandment, the Indonesian government realizes the need for a juridical basis to legitimize a product into a halal product. One way this is done is halal certification through Law Number 33 of 2014 on Halal Product Guarantee. Halal certification in the national legal system in Indonesia has a strategic position, because halal certification as regulated in Law No. 33 of 2014 on Halal Product Guarantee is part of the legal system, namely the substance of the law that has both the legal force and legal certainty, which is also imperative. Therefore, halal certification is used as an effort to protect consumers (Putra, 2017).

At least, there are eight types of information that can be known from food product packaging labels, namely halal certification, product name, content or composition, expired date, quantity of contents, identification of product origin, nutritional information, and other signs of quality. Such information should be carefully considered so that consumers do not mis-purchase. On each package of the product name on its label lies the main information that allows consumers to identify the type of product. In addition to the aforementioned statements, for certain processed food, business actors must include other information related to human health on the label. Information and /or statements regarding food stated on the label must be true and not misleading,

whether in writing, pictures, or any other form (Hidayat and Siradj, 2015).

Indonesian society, which is predominantly Muslim, is a clear market for halal goods. It could be that not all Indonesian Muslims question the issue of halal and haram, it depends on the level of legal awareness of a person. But there are certainly Muslims who question it. With the inclusion of halal information, the needs of obedient Muslims are met, while those who are not obedient are also not disturbed. So the inclusion of halal information is more profitable for businesses and consumers (Aminuddin, 2016). Therefore, the purpose of this halal certification is to provide legal certainty for the halalness of a product as a form of fulfillment of consumer rights. Consumer trust in the halalness of a product will affect the number of consumer purchases of the product (Agustina et al., 2019).

Halal certification of products produced by small actors such as zakat *mustahiq* is very helpful in marketing their products. The existence of this certification is a sign that the products are suitable for consumption, especially in the Muslim community. Halal certification is a very important issue because it is related to Islamic teachings to always consume halal and good things

The Institute for Economic Empowerment of *Mustahiq* (LPEM) The National Board of Zakat (BAZNAS) has a superior program called “Entrepreneurs *Mustahiq*” to empowering the economy of *mustahiq*. The Entrepreneur *Mustahiq* program is an economic empowerment program for productive *mustahiq* who will run an enterprise or are already running a business of various types of products. From the business category, this program aims to develop Micro, Small and Medium Enterprises (MSMEs). The type of business that is carried out is in the form of household scale businesses (snacks, cakes, *processing* of agricultural derivative products, livestock, fisheries, etc.), creative industries (batik, carving, convection, handicrafts, designers, advertising, art, architecture, etc.). The program, which began in 2016, is located in 26 districts / cities in the provinces of Jakarta, West Java, Banten and West Nusa Tenggara.

To support the Entrepreneur *Mustahiq* Program, LPEM BAZNAS provides assistance to *mustahiq* to obtain product certification such as halal certification and legal distribution license. The mentoring process by BAZNAS begins with providing education to *mustahiq* about the importance of business legality, through seminars, training and group mentoring. BAZNAS is accompanying *mustahiq* intensely in the process of official registering to the relevant agencies (Pramuji, 2020). Program utilization conducted by BAZNAS serves to develop the economy of *mustahiq* and all their goods and services, especially to encouraged them to always get the halal certification from MUI. This aims to ensure that *mustahiq* products are quality products as well as halal products so that they can be consumed safely.

In the business legality assistance, BAZNAS provides assistance for various types of businesses, those engaged in the food or culinary business, retail businesses, and agricultural products. Based on data, from 17 October 2019 to 12 August 2020, there were 7,163 applicants for halal certification. However, only 296 halal certificates have been issued by the Halal Product Guarantee Agency (BPJPH) (Handayani, 2020). Based on data from LPPOM MUI, the number of halal certifications issued is not proportional to the number of products, which only reached 5.63%, there are still 94.37% who are not halal certified.

There are benefits when a product is halal-certified both from a consumer and producer perspective. For consumers, knowing a product has been certified halal will convince them so that consumers no longer need to check the ingredients for the food they buy. Consumers can immediately buy the halal-certified product with confidence and without doubt about the safety of the product they are going to consume. For producers, halal certificates will convince the consumers about the safety of the products. Such trust will make consumers loyal and continue to buy their products (Usman and Jusmaliani, 2014).

3.2. Obstacles to Halal Certification for *Mustahiq* Products

3.2.1. Legal awareness of *mustahiq*

The picture above shows that the development of Covid-19 in the Organization of Islamic Cooperation countries is divided into two phases. In the first phase, from February 24 to March 11, 2020, confirmed cases in the OIC group of countries increased from about 100 to 10,000, and the time to increase in cases was 2 to 5 days. Then the increase in case time increased to 7 days in the second phase. In other words, there is an increase in cases every week (Organisation of Islamic Cooperation, 2020).

Legal awareness is one of the most urgent in product certification. Business actors' ignorance of how to guarantee the halalness of products sold, such as quality control from raw materials to processing, use of raw materials from vegetable products, processing of materials according to Islamic law, checking processes and products in laboratories and related agencies, as well as selecting Muslim and trusted suppliers.

According to Erna Lubis, from Sanina Up and Culinary Center, the majority of MSME has not fully implemented the halal aspect or certified their products to be halal because of the low awareness at both the consumer and producer levels. This condition is very different from Singapore. Generally, business actors do not take care of halal certification because the process takes a long time and high costs (Damayanti, 2019)

Business actors (zakat *mustahiq*) do not recognize and understand the regulations for protecting Muslim

consumers from haram products, as well as the process/urgency of halal certification. In addition, the meaning of halal haram in the perspective of business actors has experienced a reduction in meaning. Low knowledge and understanding of the law have implications for the attitudes / behavior of business actors who tend not to comply with statutory regulations (Haryanti, 2016)

3.2.2. *Advocacy from zakat management institutions for mustahiq*

The zakat management institutions play a strategic role in providing advocacy for halal certification. Based on the research, the zakat management institution that advocates for halal certification are BAZNAS and its institution namely LPEM BAZNAS which provides MSME actors with halal product certification and distribution license according to the regulation. The assistance provided by LPEM BAZNAS is still limited to the UMKM that it supports.

Meanwhile, Dompot Dhuafa as the Amil Zakat Institution (LAZ) together with its economic network, the Independent Society (MM), launched the Healthy Food Traders Group Program (KPMS). This program aims to increase the income of beneficiary partners and provide education about the importance of selling healthy snack foods. To socialize this program, MM Dompot Dhuafa held a workshop with the aim of expecting support from related stakeholders such as LPPOM MUI to conduct socialization and guidance regarding halal certification (Uyang, 2020).

3.2.3. *The high cost of certification*

The issue of cost cannot be separated from halal certification. The fact shows that not many business actors carry out halal certification compared to the number of new products per year. The main reason mentioned by producers is the high cost (Fikriawan, 2018). According to the Head of BAZNAS Bulukumba, Yusuf Shandy, the cost of halal certification is expensive, around 5.8 million rupiah per institution (Kamsah, 2019). In the Tasikmalaya City, the price of making halal product certificates is very burdensome for micro, small and medium enterprises (MSMEs). These small entrepreneurs have to pay at least 4.5 million to Rp 5 million Rupiahs to obtain the certificate (Ujg, 2020). Therefore, due to the cost of the halal certificate that is considered to be expensive, makes it difficult for MSME actors including *mustahiq* to get a halal label on each product.

3.2.4. *Bureaucratic certification*

After being transferred from the Indonesian Ulama Council (MUI) to the Ministry of Religious Affairs since October 17, 2019, the Halal Assurance System or halal certification is still stagnant because of the disharmony collaboration in the BPJPH sector, the Halal Inspection Agency (LPH) and MUI. BPJPH has not been able to issue halal certification because no LPH has received a fatwa to operate from MUI.

Product registration from business actors must go through BPJPH. After checking the completeness of the documents, the documents are submitted to the LPH (Halal Inspection Agency) for examination or laboratory testing. The results of the examination/testing that have been verified by BPJPH are then submitted to MUI to obtain a decision of the halalness of the product through a fatwa hearing. Then, if it is declared halal by the MUI, BPJPH will issue a halal certificate.

A number of Micro, Small and Medium Enterprises (MSME) entrepreneurs in North Sumatra, especially City of Medan, complained and were confused by the complex bureaucracy for obtaining halal certificates, which were previously under the authority of Majelis Ulama Indonesia (MUI), which was published in a maximum of one month (Nasution, 2020)

4. Conclusion

Zakat is one of the economic instruments in Islam which aims to improve the welfare of its recipients Zakat funds distributed by BAZNAS and LAZ to *mustahiq* are used for economic empowerment of *mustahiq* through halal certification assistance as the legality of syar'i. Halal certification is basically an effort to increase consumer trust in zakat *mustahiq* products and also provide guaranteed protection for muslim consumers. Halal certification for goods and services produced by zakat *mustahiq* through productive zakat has not been implemented optimally due to low legal awareness, limited advocacy of zakat management institutions for *mustahiq*, expensive certification costs, and bureaucratic certification procedures.

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