

The Role of Non-State Actors in Establishing the Halal Ecosystem in Indonesia

Rizki Dian Nursita, Devi Adelia, Retno Septiani, Primadiani Difida Widyaputri
*Department of International Relations, Universitas Islam Indonesia
Yogyakarta, Indonesia*

Abstract

Amidst the global growth of the Muslim population, the need for products or services that comply with sharia law has become unavoidable. As the country with the largest Muslim population in the world, Indonesia has declared itself to become a major player in the global halal industry. This can be seen from the changes made by Indonesia in the last decade, both in policy and governance aspects to form an effective halal sector ecosystem as planned in the Indonesia Islamic Economic Masterplan 2019-2024. However, amid several policies implemented by the government, the role of non-state actors, including but not limited to large industries, business groups and MSMEs, community organizations or NGOs, and product influencers, increases and mainstreaming the halal industry in Indonesia cannot be ruled out. Based on a study of some literature related to the halal industry in Indonesia, researchers see that most of the research on the halal industry in Indonesia focuses on discussing strategy and the government as well as opportunities and challenges for Indonesia in developing the halal industry. Therefore, the study aims to discuss the role of non-state actors in forming the halal industrial ecosystem in Indonesia.

Keywords: Halal Ecosystem, Halal Industry, Non-State Actors

1. INTRODUCTION

The halal industry has evolved into a defining aspect of Indonesia's economy, given the nation's status as the world's most populous Muslim country. The growth trajectory of Indonesia's halal sector, initially ranked tenth in 2018 ([DinarStandard 2019](#)), has steadily ascended to fourth place by 2021-2022 ([DinarStandard 2022](#)) (see Figure 1.1 Top Fifteen in GIEI). This progression aligns with various governmental initiatives, including the establishment of the Halal Product Guarantee Organizing Agency in 2017 and the formulation of the Indonesia Islamic Economic Masterplan 2019-2024 by the Ministry of National Development Planning ([Aisyah and Gorbiano 2019](#)), aimed at accelerating Indonesia's vision to become a Global Halal Hub (see Figure 1.2 GIEI Top Fifteen Ranking Indicators).

Figure 1.1 Top Fifteen Countries in GIEI

		GIEI	Islamic Finance	Halal Food	Muslim-Friendly Travel	Modest Fashion	Pharma and Cosmetics	Media and Recreation
1	Malaysia	207.2	426.9	123.4	193.5	46.0	83.9	97.3
2	Saudi Arabia	97.8	218.6	56.6	69.2	19.3	34.3	29.7
3	UAE	90.2	114.6	63.3	78.6	171.8	53.6	63.8
4	Indonesia	68.5	91.0	71.1	58.0	68.0	46.3	26.8
5	Turkey	67.3	51.0	69.8	106.7	95.1	55.0	53.5
6	Bahrain	66.7	121.9	44.5	89.3	18.6	29.4	30.1
7	Singapore	65.0	45.0	57.8	107.1	48.3	107.9	78.5
8	Kuwait	62.1	115.5	43.1	69.0	17.5	29.6	29.2
9	Iran	56.0	90.3	48.1	52.1	25.4	42.3	24.9
10	Jordan	51.8	72.1	51.3	58.4	19.3	44.6	25.7
11	Oman	47.8	74.5	46.1	43.2	20.2	26.9	25.9
12	Qatar	46.9	73.4	43.4	40.1	21.6	26.2	30.8
13	United Kingdom	46.1	49.0	47.4	31.4	41.9	45.2	52.9
14	Kazakhstan	45.2	46.0	59.2	60.8	26.6	22.7	26.4
15	Pakistan	44.9	65.7	48.3	38.7	26.4	30.9	11.0

Source: DinarStandard, Salaam Gateway

In addition to the crucial role played by the government in regulating the halal industry, non-state actors also wield significant influence. Considering the size, structure, and preferences of Indonesia's Muslim population, several large industries, such as Indofood, Mayora, GarudaFood, and Kimia Farma, generating annual revenues of 500 million USD, have emerged (IHLC 2021). These companies have successfully penetrated markets in Asia, the Middle East, America, and Europe. For instance, Mayora's products are distributed in eighty countries globally, while Indofood manages ten overseas companies operating in countries such as Malaysia, Nigeria, Saudi Arabia, and Kenya (Sutomo Tower 2022).

The history of Indonesia's halal ecosystem formation intertwines with the pivotal role of community organizations. Since 1989, the *Majelis Ulama Indonesia* (MUI) or Indonesian Ulama Council has addressed the issue of halal food and medicine products through the establishment of the Indonesian Ulama Council Food, Drug, and Cosmetic Study Institute (LPPOM MUI). Over the decades, LPPOM MUI has functioned as the sole institution determining and issuing halal certification. However, with the enactment of Law Number 33 of 2014 concerning Halal Product Guarantees, the Halal Product Guarantee Administering Body (BPJPH) became the government institution responsible for halal certification. This marked a shift towards a more centralized halal certification process, although LPPOM MUI retains its authority to issue fatwas on halal products and maintain standards in Indonesia.

The rise of the Muslim middle class in Indonesia, particularly from the young, entrepreneurial, and well-educated segment known as 'Futurist Muslims,' has fueled rapid market growth, placing Indonesia among the twelve countries with significant market expansion (Ogivy & Mather 2016). The existence of Muslim entrepreneur communities and consulting institutions, including the Hands Up Community (TDA), the Culinary Actors Community (KPK), the Indonesian Halal Lifestyle Center (IHLC), the Association of Indonesian Food and Beverage Producers (GAPMMI), and the Indonesian Muslim Entrepreneurs Community (KPMI), plays a crucial role in enhancing halal governance.

The halal ecosystem in Indonesia is further reinforced by independent halal research and advocacy institutions such as the Halal Institute and the Indonesia Halal Training and Education Center (IHATEC). Additionally, several universities, including the Surabaya Institute of Technology, Brawijaya University, Gajah Mada University, Islamic University of Indonesia, Hasanuddin University, and other higher education institutions, have established halal study

centers. The involvement of numerous non-state actors in shaping the halal industry ecosystem in Indonesia, therefore, this study intends to discuss the roles of non-state actors in building and introducing the halal industry ecosystem in Indonesia.

2. LITERATURE REVIEW

The halal ecosystem is a system of economic interactions involved in producing and consuming halal products. This system comprises products and services, including governance, which functions to disseminate norms or values related to Sharia compliance in the community's economic activities. Based on a review of several previous studies, researchers have identified various studies related to halal ecosystems published between 2010 and 2022 (see Figure 2.1 Publications Related to the Halal Ecosystem 2010-2022).

Figure 2.1 Publications Related to Halal Ecosystem Published in 2010-2022



Source: Vosviewer

Upon searching metadata from several publications between 2010 and 2022, the majority of research related to the halal ecosystem discusses topics such as halal integrity, halal products, halal value chain ecosystem, development, and halal certification (refer to Figure 2.1). However, there is a notable absence of publications addressing the role of non-state actors in shaping the halal ecosystem in Indonesia.

Several journals feature a publication titled "Optimization of the Halal Ecosystem in the Development of the Sharia Banking Industry in Indonesia," published in 2017. This article focuses on the development process of the halal ecosystem in Indonesia, specifically within the banking sector. It explores how optimizing the halal ecosystem can foster the development of the Sharia banking industry, emphasizing the application of financing distributed by Sharia banks to finance customers and contribute directly by providing instructions for obtaining halal certification from relevant institutions. The optimization of the halal ecosystem in Indonesia for Sharia banking is reported to be functioning optimally (Syarifuddin et al. 2021).

The second publication, written by Asri in 2022, is entitled "Strengthening the Halal Value Chain Ecosystem as the Development of the Halal Industry Towards Era 5.0." This research discusses strengthening the halal value chain ecosystem as a strategy for developing the halal industry in Indonesia. The study suggests that reinforcing the halal value chain by addressing the needs for halal products and services can support the formation of a robust halal industrial ecosystem. While not explicitly discussing actors, the article explains the reinforcement of the halal value chain across various industrial sectors, including raw materials, manufacturing, financing, technology, and others, involving actors such as the government and stakeholders (Asri and Ilyas 2022).

The next article published in 2023, "Analysis of the Halal Ecosystem and Halal Literacy on the Development of Islamic Economic Halal Regulation." It delves into the application of the halal ecosystem and the urgency of halal literacy in Indonesia concerning the country's position in the global economy. The research highlights two crucial points: first, the formation of a halal ecosystem involves strengthening supply, demand, and empowerment, with favored ecosystems in the Indonesian context including food, tourism, fashion, medicine, media, and renewable energy. Second, the study underscores the importance of public awareness regarding halal products and the significance of government support as a regulator, executor, and evaluator in establishing a halal ecosystem in Indonesia (Krisna, Yusuf, and Putra 2023).

Considering the importance of the involvement of non-state actors in the formation of the halal ecosystem in Indonesia and also acknowledging the limited research on the roles of non-state actors, this study aims to examine the roles of non-state actors in mainstreaming and establishing the halal ecosystem in Indonesia.

3. RESEARCH METHOD

The research employs the case study method, a commonly utilized approach in international relations studies. Bakry (2019) notes the absence of a universally accepted definition for case study research, particularly concerning methodological aspects. Harrison and Callan describe it as a method focusing on a detailed examination of a unit or model (Bakry, 2019).

In this study, various actors—namely, industry representatives, NGOs, business groups, research institutions, and influencers—are scrutinized as research subjects. The case under consideration is the formation of the halal ecosystem in Indonesia. The research delves into an in-depth analysis, utilizing comprehensive data collection and analysis methods, further employing narrative and interpretive analysis techniques.

To define the unit of analysis and scope, problem identification is systematically conducted. A literature review is undertaken to compare this research with prior studies, thereby establishing the novelty of the present research. Subsequently, data collection is executed to fulfill diverse information needs, incorporating documents that support and enhance the research process. The obtained data is then subjected to analysis and interpretation, facilitating the formulation of conclusions and simplification of findings from the research.

4. RESULT AND DISCUSSION

a. Industries

The halal industry in Indonesia encounters both challenges and opportunities, primarily due to the interdependence of the supply and demand dynamics within the community. This is particularly evident in the supply chain, which ultimately influences the stability of the halal economic conditions. Despite Indonesia being a country with a significant Muslim population, categorized as a majority Muslim nation, it does not automatically guarantee the flourishing existence of the halal industry (Fathoni 2020). The development of the halal industry is reciprocal, demanding adherence to quality standards aligned with Islamic Sharia. However, the halal industry's existence in Indonesia is anticipated to remain robust, given the growing trend of the halal lifestyle that has captured public attention in recent decades. Additionally, the halal industry assures cleanliness, impacting the overall quality throughout the production chain, and consequently attracting a substantial consumer base (Waharini and Purwantini 2018).

Indonesia is optimistic about realizing the Global Halal Hub by 2024 (Aisyah and Gorbiano 2019). This master plan presents an opportunity to optimize the presence of the halal industry, contingent upon commitment from both the government as the authority and the halal industry as the producer. Progressive efforts from the Indonesian government are essential to creating sustainable halal industries. Recognizing the vital role of the halal industrial sector in economic development, the Ministry of Industry of

the Republic of Indonesia forecasts a groundbreaking industry that could boost the country's economy by 2.8 trillion USD in 2025 (Ignatia 2023). In response, the Ministry of Religion of the Republic of Indonesia or Kemenag RI emphasizes the importance of halal certification for products circulating in society. Halal certification, under the auspices of the Halal Assurance System (HAS), is deemed the initial step in ensuring that products from the halal industry comply with halal standards throughout the production process.

The industrial areas claiming to be halal industries encompass several procedures, including halal supply chains, Islamic financial planning, halal logistics, and halal certification for products from halal industries (Waharini and Purwantini 2018). These aspects play a pivotal role in the economy, spanning production, distribution, and consumption processes. Essentially, the halal procedures differentiate the halal industry from others, as conventional industries do not prioritize halal processes in their economic activities. The halal industry emphasizes ensuring the quality of the production process, from the factory to the consumer's hands. Law Number 33 of 2014 concerning Halal Product Guarantees legitimizes the government's control over industries in Indonesia to maintain product quality in line with Islamic law, even extending to imported products, which must adhere to halal standards (Ruhaeni, Aqimuddin, and Afriyadi 2022).

The global halal industry predominantly consists of food products, processed goods, meat, beverages, restaurants, cosmetics, pharmaceuticals, chemicals, health, media, fashion, logistics, hospitality, and tourism (Rafiki and Abd Wahab 2016). Halal food stands as the largest pillar of the halal industry, considering the revenue generated across these six sectors. According to 2021 data, the Muslim consumer demand for halal food is estimated to reach 1.9 billion USD. In Indonesia, the focus for the development of the halal export potential is on modest fashion, halal food, pharmaceuticals, and cosmetics (KNEKS 2021).

Based on the principles of legality and halal processes, various halal food industries have developed and gained popularity among the public. PT. Indofood Sukses Makmur Tbk for instance, offers products like Indomie, Blue Triangle Flour, and Indomilk, each displaying the halal logo on packaging, eliminating doubts about halal certification (Nasution 2020). This industry has positioned itself as a trusted choice in the market. The company offers various including foods and household essentials. Their products prominently display the halal logo on their packaging, eliminating any doubts about halal certification and the claim of being halal (Nasution 2020). Furthermore, this industry has expanded its production with international-scale factories. PT. Indofood Sukses Makmur Tbk has achieved the LPPOM MUI Halal Award 2023, underscoring its strong commitment to producing halal food. Analyzing it through an economic development approach, this industry has recorded a net profit of 2.54 trillion, consistently contributing to the growth of the manufacturing sector and the country's economy through Gross Domestic Product (GDP) (Sari 2022), making it a cornerstone for the community.

The cosmetic and personal care industry is also a trending sector contributing to the country's economic growth, with demand from the public steadily increasing each year. The terminology of halal cosmetics, featuring halal logos, has become popular among consumers, reflecting the influence of religious considerations on buying and selling activities. One well-known halal brand in Indonesia is Wardah, with its distinctive slogan "Halal dari awal," significantly boosting consumer appeal (WardahBeauty 2018). This certainly makes PT Paragon a company that actively contributes to mainstreaming halal products in the cosmetic industry.

b. Micro, Small, and Medium Enterprises

The presence of Micro, Small, and Medium Enterprises (MSMEs) is crucial in a country's economy. MSMEs represent a tangible manifestation of grassroots economic activities that rely on their strength, and diversity, and form a business group that serves as the backbone of Indonesia's economy given the majority of the population is Muslim with significant demand for products and services adhering to halal principles. Thus, halal certification becomes a strategy for Indonesian MSME groups to compete globally. Additionally, the halal label is crucial as it leads to increased sales and ensures consistency. As of 2022, data from the Indonesian Council of Ulama's Food, Drugs, and Cosmetics Assessment Institute (LPPOM MUI) reveals that 10,643 MSMEs have obtained halal certification ([Ulya and Djumena 2022](#)), the number does not include MSMEs that obtained halal certification from institutions other than LPPOM MUI. Six business groups often contribute to the mainstreaming of the halal industry for MSMEs in Indonesia that can be identified by the authors, namely:

1) *Komunitas Tangan di Atas (TDA)*

TDA was established in January 2006, aims to empower and explore digital-based business resources among entrepreneurs. By 2022, TDA influence has expanded to 102 areas in Indonesia. This community has 35.007 overseas members from Australia, Egypt, and Saudi Arabia. TDA always contributes to organizing various events, including the annual Entrepreneurship Festival, promoting self-reliance and economic empowerment. Furthermore, TDA has a specific program for women entrepreneurs focusing on business areas and hobbies ([TDA n.d.](#)).

2) *Komunitas Pelaku Kuliner (KPK)*

KPK serves as a platform for culinary enthusiasts to connect, share information, and stay updated on culinary matters. It includes various culinary players, such as MSMEs culinary entrepreneurs, hotels, restaurants, catering services, cafes, coffee shops, cloud kitchens, suppliers, street vendors, and professionals working in the culinary field. Founded in 2020 by Chef Lucky Suherman, the community's main goal is to train home culinary businesses to become MSMEs, subsequently evolving into sustainable restaurants. KPK also hosts webinars to enhance the quality of culinary businesses ([KumparanFOOD 2020](#)).

3) *Indonesian Halal Lifestyle Center (IHLC)*

The Halal Lifestyle Center focuses on promoting and facilitating a halal lifestyle, extending beyond Islamic dietary laws to encompass various aspects of daily life such as clothing, personal care products, financial services, and more. IHLC collaborates with Sucofindo; a company that provides certification and testing services, to build the halal industry ecosystem, contributing to Indonesia's goal of becoming the world's largest halal product producer by 2024. This collaboration involves an agreement signed in 2021 for the development of Sucofindo Persero's services related to halal industry inspection, testing, certification, consultation, training, and other relevant activities ([Kelana 2021](#)). IHLC also actively promotes the Indonesian creative industry and halal tourism products abroad through the 'Halal Beyond Borders' ([Assegaf 2023](#)).

4) *Gabungan Produsen Makanan Minuman Indonesia (GAPMMI)*

Founded on April 15, 1976, GAPMMI initially focused on industrial relations and labor issues but has evolved to engage in various sectors, including investment. As a business association, GAPMMI works for its members' interests through beneficial programs, public advocacy, and network building. GAPMMI's involvement in the "Skills for Competitiveness" project, a bilateral project between Indonesia and Switzerland, reflects its commitment to enhancing workforce skills in the food and beverage industry. Through its representation in the Steering Committee, GAPMMI

contributes insights from the Indonesian food and beverage industry perspective, ensuring alignment with sector needs and challenges (GAPMMI 2020).

5) *Komunitas Pengusaha Muslim Indonesia (KPMI)*

KPMI serves as a platform for Muslim entrepreneurs to deepen their Islamic faith and conduct transactions by Islamic law. Established with the vision of developing high-quality Muslim entrepreneurs economically and religiously, KPMI aims to unite them to strive for the welfare of Muslims in Indonesia's economy. KPMI plays a significant role in developing the halal economy and advancing Muslim entrepreneurs in Indonesia, emphasizing the principles of Islam in business. KPMI actively contributes to promoting Sharia business, educating the public about the significance of halal and haram in livelihood, and supporting the spiritual values inherent in KPMI's mission (KPMI 2022).

6) *Indonesia Employer's Association or Asosiasi Pengusaha Indonesia (APINDO)*

Founded on January 31, 1952, APINDO is the sole representative of the business world, covering provincial and city/regency leadership councils across Indonesia (APINDO n.d.). Initially focusing on industrial relations and labor issues, APINDO has expanded its engagement to various sectors, including investment. As an active member of international employer organizations, APINDO plays a crucial role in advocating economic policies, and actively participating in discussions with the government and relevant institutions to ensure policies support business and economic growth. The APINDO leadership for the 2023-2028 term focuses on strengthening labor, empowering MSMEs, enhancing investment, and advocating policy roles to address business growth challenges (APINDO n.d.). APINDO assists micro and small enterprises in voicing criticisms regarding the Indonesian government's halal certification policies. APINDO often proposes support for small entrepreneurs and suggests the concept of an industry level in halal certification policy (Arief 2019).

These communities and associations play a crucial role in driving the country's economic growth, creating employment opportunities, and contributing to infrastructure development. The history of entrepreneurs' groups in Indonesia is long-standing, and they continue to face various challenges to support sustainable growth.

c. **Religious Organization**

The large population within the Muslim community can be considered a demographic advantage that has the potential to be consumers of halal products. They also have the potential as main actors in the developing halal ecosystem. Indonesia has the opportunity to become a global center for the halal industry, or at least host domestically produced halal products to meet domestic needs. Islamic community organizations today are a strong civil society with a crucial role since before independence until now. The role of these Islamic community organizations covers various aspects of life, especially in education, social, cultural, and political aspects that benefit the people in education, social, cultural, and political fields.

One Islamic institution that plays a significant role in shaping the halal framework in Indonesia is MUI. MUI is a fatwa council consisting of various religious community organizations in Indonesia, including two of the largest, namely Nahdlatul Ulama (NU) and Muhammadiyah. Since 1991, one of the MUI's bodies, LPPOM MUI has been the sole institution in Indonesia issuing halal certification (LPPOM MUI n.d.). This continued until the establishment of BPJPH in 2017. LPPOM MUI is responsible for evaluating, analyzing, and determining whether products such as food, drugs, and cosmetics are safe for consumption from both a health perspective and compliance with Islamic principles (i.e., halal and suitable for consumption by Muslims) in Indonesia. This institution provides guidance, develops rules, and offers guidelines to

the public (Syamsu and Arintawati 2023). The position of LPPOM MUI is as a semi-autonomous institution with a specific focus on food safety for Muslims related to additives. Structurally, LPPOM MUI can be present at both the central and regional levels within the Indonesian Ulama Council. Therefore, its existence plays a crucial role in shaping a stable Islamic framework based on Sharia and national law.

NU is an Islamic community organization founded by K.H. Hasyim Asy'ari in 1926. NU's concern for the halal industry is increasingly evident through the establishment of the World Halal Centre Nahdlatul Ulama (WHCNU). WHCNU is an institution that supports the halal product process, providing halal certification from preparing legalities and documents to extending halal certificates, as well as offering halal training and education (WHCNU n.d.). Nahdlatul Ulama University (UNU), established in 2017 in Yogyakarta, has a Faculty of Halal Industry offering undergraduate programs in agribusiness, pharmacy, and food technology.

Muhammadiyah is the second-largest Islamic organization in Indonesia, founded in 1912 by KH. Ahmad Dahlan. Since its establishment, Muhammadiyah has played a crucial role in community welfare, empowerment, and education. One year after issuing Law No. 33 of 2014 2015, Muhammadiyah established the *Lembaga Pemeriksa dan Kajian Halalan Thayyiban* (LPHKHT). The establishment of LPHKHT Muhammadiyah has driven halal certification recognized by BPJPH for MSMEs and conducted various research on halal through the Halal Centers established at 21 Muhammadiyah and 'Aisyiyah Higher Education Institutions (PTMA) throughout Indonesia (Afandi 2023).

d. Research Centers and University

Research institutions play a crucial role in shaping the halal industry ecosystem in Indonesia. The scope of their programs includes halal research or studies, education, and halal advocacy. Among the halal research and study institutions in Indonesia are:

1) Halal Institute

The Halal Institute is a non-state actor born out of a full commitment to creating a halal ecosystem in every aspect of Indonesian society. It plays a crucial role as a non-state institution determined to make Indonesia self-reliant, prosperous, and civilized, aiming to become the global center for the halal economy. The institute focuses on developing knowledge and the latest innovations in the halal industry through research to ensure the halal ecosystem's growth, creating a society that cares about the halal ecosystem (Halal Institute n.d.-a). The institute also conducts halal certification programs, certifying products and services, and providing concrete information and certainty to consumers about compliance with halal requirements (Halal Institute n.d.-b). Furthermore, it offers halal auditor training programs, adhering to BPJPH and national standardization, aiming to enhance human resources involved in the halal ecosystem. The institute also conducts training programs for supervisors and halal slaughterers to prepare and train workers or human resources to be skilled and well-versed in the halal field (Halal Institute, n.d.-b). Additionally, it facilitates MSMEs by organizing and promoting the facilitation of halal certification financing for micro and macro-business actors. The institute also engages in partnerships with halal inspection agencies, contributing to the development of national and international standards (Halal Institute n.d.-c).

2) Indonesia Halal Training & Education Center (IHATEC)

IHATEC is a vocational training institution focusing on halal training and education, established in 2017 to address the need for a training center for companies seeking halal certification. IHATEC's role in shaping the halal ecosystem is reflected in its programs, such as professional training, including

regular, in-house, and international training sessions. IHATEC also has a system cluster and material development program, engaging in collaborations with various halal training institutions worldwide ([IHATEC 2021](#)).

- 3) Halal Study Center of Sepuluh Nopember Institute of Technology (ITS)
The Halal Study Center, established on March 24, 2016, by the ITS, focuses on education, research, analysis, providing services to the community, and advising the government on halal products and regulations. It aims to provide complete and accurate halal information for the Muslim community and become a reference institution for halal studies based on science and technology for Indonesia and the world ([Pusat Kajian Halal n.d.](#)).
- 4) Pusat Studi Halal Thoyyib of Brawijaya University
Pusat Studi Halal Thoyyib, founded in 2008 at the Brawijaya University, aims to develop scholarly and technological values to produce safe and healthy food under Islamic principles. The center plays a role in developing the halal ecosystem with programs covering halal certification support, halal assurance system training, and research ([Pusat Studi Halal Thoyyib n.d.](#)).
- 5) Pusat Pemeriksa Halal of Hasanudin University
Known as PPH UNHAS, part of a research and community service institution, was created to support the government's efforts to ensure all food products circulating in Indonesia are halal. PPH UNHAS's role in guaranteeing Indonesia's halal ecosystem involves research and development, education and training, and campaigns to increase public awareness of the importance of halal consumption ([LPPM UNHAS n.d.](#)).
- 6) Institute for Halal Industry System of Gajah Mada University
IHIS UGM, a non-state actor originating from Gajah Mada University, plays a role in the halal ecosystem through learning, research, ensuring halal local products, and supporting the development and coaching of local halal products for both domestic and international markets ([IHIS UGM n.d.](#)).
- 7) Halalan Toyyiban Research and Education Center of Islamic University of Indonesia (UII)
Halalan Thayyiban Research and Education Center (H-TREN) operates under the auspices of the Islamic University of Indonesia, aiming to ensure halal products and the implementation of halal assurance systems in Indonesia. H-TREN contributes to developing the halal ecosystem through research, testing, and studies related to the halal and tayyib aspects of consumer products ([Nasrullah 2015](#)).

e. Halal Influencer

The role of social media and influencers in shaping the halal lifestyle in Indonesia has emerged as a significant factor in fostering public awareness of halal aspects. According to data from the Indonesian Internet Service Providers Association (APJII), internet penetration in Indonesia reached 77% as of January 2023, encompassing approximately 213 million people, a majority of whom actively engage in social media, constituting around 61.8% of the total population ([Cindy Meutia 2023](#)). Platforms like Instagram, YouTube, and others have transformed into spaces where influencers share their experiences and provide inspiration regarding the halal lifestyle. These influencers serve as effective intermediaries, disseminating information about halal products, restaurants, and daily practices that align with halal principles. The

following is a list of influencers who consistently share content related to halal lifestyle and halal cuisine.

Table 3.1 List of Indonesian Halal Influencers

Name/Institution	Social Media	Scope
Halal Corner	Instagram: @halalcorner X: @halalcorner Tiktok: @halalcorner.id YouTube: @halalcorner	Halal Food and Halal Industry
Aisha Maharani	Instagram: @aishamaharani X: @_aishamaharani	Halal Food and Halal Lifestyle
Anca Syah	Instagram: @anca.id X: @AncaSyah Tiktok: @anca_syah	Halal Lifestyle and Halal Tourism
Rika Ekawati	Instagram: @rikaekawati Tiktok: @rikaekawati_	Halal Food and Halal Lifestyle
Dian Widayanti	Instagram: @dianwidayanti X: @dianwidayanti_ Tiktok: @dianwidayanti_ YouTube: @dianwidayanti	Halal Lifestyle
Galuh Achandri	Instagram: @galuhachandri @coolyeahati Tiktok: @coolyeahati	Halal Food

Source: Social Media Accounts

5. CONCLUSION

The development of the halal ecosystem in Indonesia is a multifaceted and dynamic process driven significantly by the active involvement of non-state actors. These entities,

ranging from government agencies and business associations to research institutions and religious organizations, collectively shape the trajectory of the halal industry in the nation.

The enactment of Law Number 33 of 2014 concerning Halal Product Guarantees has caused a shift towards a more centralized halal certification process. The establishment of BPJPH has made standardized halal certification more efficient, complemented by the ongoing influence of non-state actors like the Indonesian Ulema Council (MUI) in providing halal certification for decades. The collaboration between governmental bodies and religious organizations ensures a comprehensive approach to halal governance, influencing confidence in both domestic and international markets which will lead to market growth.

The shifts in governmental policy have become the catalyst for the rise of the involvement of non-state actors to robust the halal ecosystem. Non-state actors have not only contributed to raising halal products or complying with the policy, but also raised awareness regarding halal certification, and advocated people's interests, particularly MSMEs. Non-state actors in the business sector, substantial companies like Indofood, Mayora, GarudaFood, and Kimia Farma, have emerged as key players in expanding Indonesia's halal industry beyond its borders. Their success in penetrating global markets highlights the economic potential of aligning products with halal principles.

Business communities, such as Komunitas Tangan di Atas (TDA), Komunitas Pelaku Kuliner (KPK), and Indonesian Halal Lifestyle Center (IHLC), serve as platforms that empower entrepreneurs, foster collaboration, and contribute to halal governance. These groups actively engage in advocacy, education, and networking, showcasing the synergy between non-state actors in driving the halal ecosystem forward. Furthermore, the rise of the Muslim middle class, notably the 'Futurist Muslims,' has fueled market growth, providing opportunities for both established corporations and MSMEs to thrive in this sector.

MUI as a fatwa council in Indonesia has played an important role in establishing the halal ecosystem, particularly after the establishment of LPPOM MUI in 1989. LPPOM MUI has become the sole halal certification body in Indonesia for decades. The two largest religious organizations in Indonesia, NU, and Muhammadiyah, also provide a strong foundation for the establishment of the halal ecosystem by issuing fatwas, providing certification, and mainstreaming the halal awareness through centers. The role of halal influencers is also important in raising awareness regarding halal food and halal lifestyle among the people.

Research institutions and universities' roles in shaping the halal ecosystem cannot be ignored. The Halal Institute, Indonesia Halal Training & Education Center (IHATEC), and various university-based halal research centers contribute through research, education, and training programs. Research centers can strengthen both the religious and science-based halal ecosystem, improve workforce skills, and facilitate the halal certification process for businesses.

The role of non-state actors in developing the halal ecosystem in Indonesia is expansive and collaborative. The active involvement of industries, MSMEs, religious organizations, research centers, and halal influencers creates a more holistic ecosystem for the halal industry to flourish. The inclusive approach adopted by these non-state actors in Indonesia will robust the halal industry in Indonesia and become a role model for other countries in developing the halal ecosystem.

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