



Potential Role Analysis of Halal Certification Facilitation and Tangerang Emas Program Activation to Increase Culinary Micro Business Income in Tangerang City

Novita Tania^(✉), Sugeng Santoso, Adyanto Kurniawan Hulu, Muhdorun, and Gunawan Wiyogo Siwantoro

Mercu Buana University, West Jakarta, Indonesia
syivamalasari@gmail.com

Abstract. The Indonesian Law No. 33 of 2014 about Halal Product Assurance, Article 4 administers that the products entered, circulated, and traded in the territory of Indonesia must be Halal Certified, since October 17, 2019. The government has provided facilities for Halal Certification in the context of Omnibus Law (The Indonesian Law 11 year 2020 and the Government Regulation 39 of 2021), where micro-business is free of charge. The Tangerang City Government has issued several policies to help micro-business survive and grow. The programs that have been carried out include the Facilitation of Halal Certification and the Tangerang Emas Program for micro-business in Tangerang City. This study aims to explain the role of the Halal Certification facilitation and Tangerang Emas Program in increasing the micro-business income in Tangerang City. This research used qualitative and quantitative methods. A qualitative approach with related key informants of Halal Certification facilitation and Tangerang Emas Program and financial access. The results show that the facilitation of Halal Certification and activation of the Tangerang Emas Program can increase the income of the micro-business in Tangerang City.

Keywords: Micro business · Halal Certification · Income

1 Introduction

In Micro businesses play an essential role in the community economy. More micro businesses will result in more jobs to increase the community's income. Contributions from all parties, including the Government, Financial Institutions, Educational Institutions, etc., are needed to support microbusiness development. Moreover, the contributions also help business actors increase the selling value of products, obtain training/assistance, access business capital financing, and increase business cash flow. The increase in the selling value of the product can be done utilizing halal certification of products, where based on Law No. 33 of 2014, Law 11 of 2020, and Law 39 of 2021, micro-business actors are required to have halal certification for products traded to consumers. Each city/regional government has a different work program to contribute to

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W. R. Murhadi et al. (Eds.): INSYMA 2022, AEBMR 223, pp. 1127–1134, 2023.

https://doi.org/10.2991/978-94-6463-008-4_139

increasing income from micro-enterprises. The Tangerang City Government's real contribution to micro-enterprises is by providing the Halal and Tangerang Emas Program (Ekonomi Masyarakat Sejahtera).

The implementation of halal certification for all products in Indonesia, which was initially voluntary, has turned mandatory (The Government Law No. 33 of 2014 about Halal Product Guarantee) since October 17, 2019. The halal implementation guarantees the comfort, security, safety, and certainty of halal products for the consumers and increases value for culinary micro businesses. Based on Law No. 33 of 2014, Law 11 of 2020, and Law 39 of 2021, micro businesses must have halal certification. These laws also provide convenience for micro-businesses to obtain halal supervisors (relevant business actors, government, business entities, and universities), which can also provide facilities for participation in training and certification of halal competence. Halal certifications are submitted by micro-business and free of charge. To realize Law No. 33 of 2014, Law 11 of 2020, and the problems that arise, Tangerang City Government initiated a halal certification facilitation program for micro-businesses in Tangerang City in 2014 until now.

Another program that Tangerang City Government carried out to support micro-businesses is the Tangerang Emas program. This program assists micro-business that starts a business and develops an existing business. This program was started in 2020. The assistance received is in the form of a revolving fund amounting to Rp. 500,000 to Rp. 2,000,000 per group for a period of 6 to 24 months. Each group consists of 5 to 10 people. Tangerang Emas program has prepared funds up to Rp. 500,000,000 for micro-business that needs additional funds to continue or expand their business.

This study aims to explain Halal Certification Facilitation and Tangerang Emas Program Activation's potential role in increasing culinary business income in Tangerang City. This research is expected to provide examples for other cities or governments to initiate similar programs to increase micro business income. In addition, this study becomes an evaluation for Tangerang City Government in implementing the programs.

According to previous research by Santoso et al. [1], the halal certification process (with assistance; with subsidies) has a very strong correlation with the intention of the business actors and is significant. There is a change in MSME before and after having halal certification [2]. The factor that positively and significantly influences the increase in MSMEs after having a halal certificate are loan, working hours, length of business, and promotions. The participation of micro-business in halal certification facilitation is also correlated with the process of assisting halal certification, perceptions of certification cost, and perceptions of micro-business actors [1]. In addition, there are inhibiting factors for micro-business to obtain halal certification: costs, certification procedures, and the role of government [3].

Furthermore, Khairunnisa et al. [2] said there is a change in MSME turnover before and after having a halal certificate. The factors that positively and significantly influence the increase in MSME turnover after having a halal certificate are capital, working hours, length of business, and promotions. In the same year, Bakhri [4] explained that certificate ownership could increase income as well as prove that halal certificates have a significant relationship in influencing the income level of business actors. Halal-certified

products are a marketing strategy to increase sales levels to MSMEs in NTB and non-Muslim MSMEs. After obtaining the legality of halal certification from LPPOM-MUI, MSMEs enjoy an increase of 30–60% because consumers believe that the halal label on packaging and restaurant is halal certified, even though consumers know that owners of the MSMEs are non-Muslim [5]. The halal food sector is currently a new opportunity to increase economic growth and development [6].

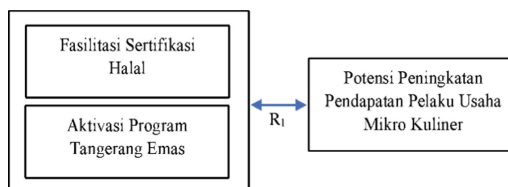
Regarding business capital financing, the government's social assistance program has proven to affect business development during the Covid-19 pandemic [7]. Previously, in 2019 the research of Herlinawati & Arumanix [8] showed that there is a significant difference in the income of micro businesses before and after getting credit in Ciwidey District, Bandung Regency.

This study focuses on sources of information from key informants involved in the program under study as well as informants from the Government's Investment Center (Pusat Investasi Pemerintah) for micro-enterprise financing and from banking financing for the micro-business sector supported by business actor respondents who obtained halal certification and Tangerang Emas programs.

2 Research Methods

This research applied qualitative and quantitative methods. A qualitative approach with related key informants of Halal Certification facilitation and Tangerang Emas Program and financial access. This research applied qualitative and quantitative methods. A qualitative approach with related key informants of Halal Certification facilitation and Tangerang Emas Program and financial access. Key informants of this study were Head of Industrial Affairs Division (Dinas Perindagkop), Head of MSME Empowerment (Dinas Perindagkop), Dinas Perindagkop Tangerang City, Banking Actor, Investment and Financing Analyst, and culinary micro businesses who have received facilitation of halal certification and Tangerang Emas Program.

A quantitative approach was conducted with the questionnaire distributed to culinary micro-business in Tangerang City that has received Halal Certification Facilitation and Tangerang Emas Program. This study used purposive sampling. This study will explain the relationship (correlation) between the Halal Certification Facilitation and Tangerang Emas Activation with the potential to increase culinary micro-business income in Tangerang City (Fig. 1).



*R1 = Correlation between Halal Certification and Tangerang Emas with Potential Income for Culinary Micro Business in Tangerang City

Fig. 1. Research Method

The variable in this study was obtained from the development of a literature study that shows a correlation between the increase in business after halal certification [2], the correlation between the existence of the community or intermediary side and the innovation of creative economy actors or demand side related to the Tangerang Emas Program in Tangerang City.

3 Results and Discussion

3.1 The Role of Halal Certification and Tangerang Emas Program

Based on Table 1, the Pearson Correlation shows a strong correlation between the income of micro business in Tangerang City before and after receiving the Halal Certification and Tangerang Emas program. The correlation value is 0.775, with a significant correlation. This is in line with previous research that the existence of halal certification can potentially increase the income of business actors. As for the Tangerang Emas program, it also has the potential to increase the income of business actors, supported by the opinions of culinary business actors as follows:

“Alhamdulillah, since joining and obtaining a business capital program from Bank BJB through this program, Tangerang Emas, my business is always able to maximize the potential and opportunities. The micro business actors do not depend on mobile banks, which do not have a positive impact on the development of the micro business itself. I need to maximize management and finance in a responsible and orderly manner.” (Informant 1: Culinary Micro Business).

3.2 Halal Certification Program

Halal Certification is program for SMEs in Tangerang City facilitated by Dinas Perindagkop Tangerang City coordinated with Halal Product Guarantee Agency (BPJPH). The program aims to assist, facilitate, and provide solutions to MSMEs in Tangerang City in dealing with business constraints and development.

Table 1. Calculation Result of R1 Pearson Product Moment Correlation

Description		Income Before	Income After
Income Before	Pearson Correlation	1	.755**
	Sig. (2-tailed)		.005
	N	12	12
Income After	Pearson Correlation	.755**	1
	Sig. (2-tailed)	.005	
	N	12	12

** Correlation is significant at the 0.01 level (2-tailed).

To apply for this program, MSME actors must have an Indonesian Identity in Tangerang City, have their products where they are not at risk, or use non-halal materials, and the production process is halal and straightforward. This program follows the procedure: created by NIB at OSS RBA and registered through the Sihahal application.

As a form of follow-up, this program also provides assistance to SMEs.

“Assistance is carried out by accompanying institutions, from universities and Islamic organizations and mass organizations. After obtaining the facilitation of halal certificate, there is continuous guidance and facilities, for example, included in packaging design training.” (Informant 2: Zaelani, SH - Head of Industrial Affairs Division – Dinas Perindagkop Tangerang City).

The government continues to evaluate this program.

“Evaluation is carried out every year to see how far the benefits and business development of the facilitated SMEs. This program can be useful for the progress of the IKM business.” (Informant 2: Zaelani, SH - Head of Industrial Affairs Division – Dinas Perindagkop Tangerang City).

3.3 Tangerang Emas Activation Program

Tangerang Emas Program is the Tangerang Prosperous Community Economic Program, an interest-free loan program without collateral for MSMEs with a group system and joint responsibility. The program collaborates between the Tangerang City Government and Bank BJB-branch Tangerang City. This program aims to provide loans for micro-business in Tangerang City with a collateral-free interest-free loan with a group system. The implementation of this program is aimed at business actors in Tangerang City who have started their business for more than 6 months and need a stimulus.

To apply for this program, MSMEs requirements: domiciled in Tangerang City (as evidenced by KTP), has a business of at least 6 months started, groups domiciled in the same RT/RW or in the same District (total 5 to 10 people), and determine the coordinator or group leader who is willing to carry out a joint responsibility system. For the application procedure, the coordinator applicants submit the required documents to Dinas Perindagkop, which will be submitted to Bank BJB for verification.

As a form of follow-up, this program also provides assistance to MSMEs actors.

“All members will be given guidance from the Government and need to join training programs. This program increases the competitiveness of their products and business with the intention, that after obtaining loan, there will be an increase in income.” (Informant 3: Hastuti Handayani, AP, MAP - Head of MSME Empowerment Division, Dinas Perindagkop Tangerang City).

The government continues to evaluate this program. *“Dinas Perindagkop Tangerang City and Bank BJB carry out evaluation and monitoring.”* (Informant 3: Hastuti Handayani, AP, MAP - Head of MSME Empowerment Division, Dinas Perindagkop Tangerang City).

This program helped MSMEs to expand their business, so this program can be continued and developed in the future. Group and a joint system make there's no repayment of outstanding loans so they can be rolled out to other MSMEs." (Informant 4: Suli Rosadi, S.Sos - Head of Dinas Perindagkop Tangerang City).

3.4 Financial Access

Based on the requirements of Tangerang Emas Program, the application procedure is carried out: the coordinator submits the required documents to Dinas Perindagkop Tangerang City, and then submitted to Bank BJB for verification. In this case, Bank BJB as a creditor, will screen the application, KTP, business legality (business certificate), check OJK SLIK, and conduct surveys to the relevant business location.

In line with the program, basically, every financial or banking institution in Tangerang City becomes an agent of development and extension of government for improving the welfare of business actors by providing financing for capital and investment.

"Each financial/banking institution has a financing program for business actors, in the form of CSR (Corporate Social Responsibility) to provide business capital financing to business actors individually or communities, that must have through pre-screening. Another form is People's Business Credit (KUR) for supermicro, micro, small and medium businesses and provides commercial credit for business actors who are already bankable. The banking sector becomes a companion and consultant to business actors. Using the right target will certainly increase the volume of business and income from business actors. Business actors can contact the nearest branch to complete the requirements to get information about each program, including personal legality and business legality. Bank will visit the business location for verification. Until realization, the approval process takes 5 working days (according to field conditions). After the financing is realized, Bank is obliged to monitor the business. The role of consultant needed to ensure the right financing, and it can improve the welfare of business actors." (Informant 5: Adyanto Kurniawan Hulu, ST - Small Medium and Enterprise Banking Business Center).

The requirements for MSME financing, especially in the largest segment in the MSME pyramid, have increased similarly with the capital. The various types of financing sources in the market are constantly moving. Most offer convenience but are not the return. High-interest rates with various requirements tend to make it difficult for MSME actors. Low service quality and not offering service excellence are sometimes ignored as long as financing is provided.

"Ultra-Micro Financing (UMi), as a financing product belonging to PIP has an important role in providing access to financing or business capital for micro business actors. The micro business group includes viable and productive businesses but has complicated access to bank financing (bankable). This revolving fund product from the government can even be relied on to improve the number of new entrepreneurs and become a bridge for micro-enterprises to advance to class and be able to access financing from banks. Financing products that MSME actors accept cannot be separated from expanding the

number of LKBB distributors appointed by PIP. Not only complete the target of achieving the number of distributors but also fulfill the requirements and quality. The balance of the flow of submission of prospective distributors to monitoring and evaluation activities is very needed to accelerate the expansion of UMi distribution throughout Indonesia, including the Tangerang area. Ultra-Micro (UMi) financing has been carried out in Tangerang City from 2017 until now. The distribution in Tangerang City is carried out through several linkages and channeling institutions that have collaborated with PIP, including: PNM, KSPPS Mitra Dhuafa, KSPPS BMT Al-Huda, KSPPS Abdi Kerta Raharja, KSPPS BMT Bina Ummat Sejahtera, KSSPS BMT Masyarakat Utama, and KSPPS BMT Tamzis Bina Utama.” (Informant 6: Gunawan Wiyogo Siswantoro, S.E.-Investment and Financing Analyst – Government Investment Center).

Regarding capital in general, micro-enterprises have access to financing from various financing programs, both from banks and non-banks. Access to non-banking financing includes PIP (Government Investment Center), PNM (Civil National Capital), PT BAV, Pegadaian, cooperatives and other non-bank financial institutions. In this case, the system used by Tangerang Emas is a joint responsibility system similar to what is carried out by PNM as a linkage and Ultra Micro (UMi) financing channel.

4 Conclusion

Every financial or banking institution in Tangerang City becomes an agent of development and extension of government for improving the welfare of business actors. Regarding capital in general, micro-enterprises have access to financing from various financing programs, both from banks and non-banks. Halal Certification Facilitation and Tangerang Emas Program correlate with culinary micro business income in Tangerang City. So, the programs have benefited micro businesses.

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