



HALAL UMKM STRATEGIES FOR THE DIGITAL ECONOMY

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ABSTRAK

UMKM or micro, small and medium enterprises are business entities that have a goal of how to generate profits so that these activities can continue to exist which can support many people. What is discussed in this paper is MSMEs with halal labels where these MSMEs must comply with the rules of Islamic law, the products offered are of halal standard, starting from the availability of raw materials, the manufacturing process to the packaging and finally halal certified as regulated in laws and regulations so as not to mislead Muslims. This research uses qualitative research methods with literature research data sources. The results showed that MSMEs in facing the digital economy must be able to prepare themselves to face a high competitive level because the competitors in business development are the MSMEs themselves, large entrepreneurs who penetrate small-scale business activities and entrepreneurs from abroad as an impact of the global economy. However, in facing these conditions, halal MSMEs in Indonesia must be able to prepare strategies that can anticipate these conditions, these strategies can include; utilizing digital platforms, using digital marketing, Socializing halal MSMEs, building industrial relations, increasing the role of religious and educational institutions for halal MSME product literacy, building customer trust in halal MSMEs, conducting digital economy development and training, conducting digital financial management, following sharia principles, complying with legal rules related to digitalization, always innovating, can take advantage of Digital Agency Services.

Keywords: Halal MSMEs; strategy; digital economy

1. INTRODUCTION

MSMEs or micro, small and medium enterprises are economic activities carried out by individuals, households, and small or medium-sized business groups to seek profit and develop from the business they do. Matters concerning MSMEs are regulated in Law No. 20 of 2008 concerning Micro, Small and Medium Enterprises and followed by Government Regulation No. 7

of 2021 concerning the Ease, Protection and Empowerment of Cooperatives and Micro, Small and Medium Enterprises.

MSMEs are one of the foundations of the Indonesian economy because they are able to explore economic sectors, have characteristics including a relatively small number of employees, assets owned are relatively not large, oriented to local markets, managed independently, have their own resources, etc. The criteria for micro businesses have a net worth of at most IDR 50 million excluding the land and building of the place of business has annual sales revenue of at most IDR 300 million (Law of the Republic of Indonesia Number 20 Year, 2008).

As for what is categorized as a small business if it has a net worth of more than Rp50 million to Rp500 million, excluding the land and building where the business is located, with a sales turnover of more than Rp300 million to Rp2.5 billion. Meanwhile, a medium-sized business is categorized if it has a net worth of more than Rp500 million to Rp10 billion, excluding the land and building where the business is located, has a sales turnover of more than Rp2.5 to Rp50 billion.

MSMEs from year to year are increasingly showing positive trend developments for the Indonesian economy where based on data from Kadin in 2023 MSMEs contribute to the National GDP of 61%. What needs to be improved is that MSMEs must be able to produce competitive products in the domestic market and are even expected to penetrate the international market.

In line with these developments where in Indonesia the population is more adherent to Islam and this affects the development of MSMEs owned by those who are Muslim so that these businesses get blessings in life, Muslim communities are required to be able to carry out good and halal business activities.

So in further developments, it is known that more and more MSMEs are trying to take part based on the rules of Islamic law so that the understanding of MSMEs with halal labels is increasingly widespread, which actually indirectly also affects MSMEs in general.

By the Islamic community, the understanding of eating halal food is conveyed in many Quranic arguments, including in QS. Al-Baqarah (2): 168

مُبِينٌ عَدُوٌّ لَكُمْ إِنَّهُ الشَّيْطَانُ خُطُوهُ تَتَّبِعُوا وَلَا طَيْبًا حَلَالًا الْأَرْضِ فِي مِمَّا كَلُوا النَّاسُ يَا أَيُّهَا

Translation:

O humanity! Eat from what is lawful and good on the earth and do not follow Satan's footsteps. He is truly your sworn enemy.

In QS Al-Baqarah ayat 172:

تَعْبُدُونَ إِيَّاهُ كُنْتُمْ إِنْ لِلَّهِ وَاشْكُرُوا رَزَقْنَكُمْ مَا طَيَّبْتِ مِنْ كَلُوا أَمْنُوا الَّذِينَ يَا أَيُّهَا

Translation:

O you who have believed, eat from the good things which We have provided for you and be grateful to Allah if it is [indeed] Him that you worship.

The above evidence is enough to provide an overview for the Islamic community not to violate the provisions in the Koran. This is the background that in the management of economic resources by Muslims must remain within the legal corridors set by Allah SWT. UMKM is part of a system that must comply with the provisions stipulated in Islam as stated above.

Halal MSME means that businesses carried out by micro, small and medium enterprises in producing their products fulfill halal provisions starting from the provision of raw materials, in the manufacturing process to the final product.

To prove the level of halalness of a product, in Indonesia, business actors are required to have halal certification as proof that the products they offer are halal because this certification shows the commitment of business actors to the quality and halalness of their products. Halal certification provides a sense of security, comfort, and certainty about the availability of halal products to the public.

In line with these developments, halal MSMEs in offering their products in the community must be halal, good and of high quality so that they can continue to exist in the business world because in the end the ability to be able to stand and stand tall in the business world will be determined by the market share of each product offered by these MSMEs.

The current condition of the business world is in a situation that demands a qualified level of ability because competition no longer recognizes the boundaries of region and time where currently business is no longer only done through conventional trading systems but has penetrated through cyberspace or through online systems.

The online system has its own advantages, among others, allowing users to access information from all over the world quickly and easily, financial transactions are carried out easily without having to pocket cash, online businesses can provide convenience for consumers in transactions simply by using a cellphone, with online correspondence can save the use of paper so that it is environmentally friendly. Etc.

Halal MSMEs in their development, of course, experience challenges that come not only from the MSMEs themselves but also from large entrepreneurs who penetrate small business activities and even other rivals from entrepreneurs from abroad because of the ease of crossing borders between countries to do business in the world both using conventional systems and with online systems.

Based on the above conditions, halal MSMEs are required to have observant and precise abilities to deal with it all, so that MSMEs are required to have a strategy to be able to survive and continue to exist to develop their business, especially business development by utilizing digital platforms that can reach all corners of the world. So based on this background, the author discusses the "Halal MSME Strategy Facing the Digital Economy".

2. METHODS

In carrying out research steps, the author uses qualitative research methods with library research data sources. Where library research is a research method carried out by collecting and

analyzing data from various literatures such as books, journals, newspapers, personal documents, and others to serve as the basis and input in the research conducted by the author.

3. RESULTS AND DISCUSSION

a. Halal MSMEs and MSMEs

Micro, small and medium enterprises in their work in Indonesia today have made a major contribution to the Gross Domestic Product (GDP) where GDP is the market value of all goods and services produced in a country within a certain period of time. GDP can be used to measure the economic development of a country, to determine the structure of a country's economy and to serve as a basis for formulating government policies.

Based on the results of releases made by several entities such as Kadin (Indonesian Chamber of Commerce and Industry), the contribution of MSMEs to PBD reached 61% in 2023, which when converted is approximately IDR 9,580 trillion. With a labor absorption of 117 million workers.(Web., n.d.-a)

That means that MSMEs greatly color the development of the Indonesian economy, so that MSMEs continue to contribute to the development of the Indonesian economy, all stakeholders must be able to support their development in various ways, such as providing opportunities to develop without killing their businesses, by the government issuing regulations that ease their burden, providing easy access to the banking world, etc.

Meanwhile, halal MSMEs as mentioned above are businesses run by individuals, households, or micro, small and medium enterprises that carry out their activities starting from providing raw materials, carrying out processes and arriving at the final product all following the provisions justified in Islam. Examples of business activities in the food and beverage industry, tourism sector, cosmetics, education, finance, fashion, recreation media, arts and culture. (Hakim, 2021)

Those who take part in this business world try to live by not ignoring Islamic rules because their view of the business being carried out will have implications for the life of the world and the hereafter so that what is done today in the world will also be reaped in the hereafter, including the business activities that are engaged in, which are part of the halal MSME system.

Halal MSMEs face competition that is currently not only through conventional means but has also entered a digital system that increasingly challenges everyone's understanding of being able to access all needs through cyberspace, a world without borders, a world that can meet the tastes of those who are always looking for challenges and opportunities in activities, including economic activities carried out by MSMEs.

b. Strategies for the Digital Economy

To carry out halal MSME activities, they face competitors from their own MSMEs and from entrepreneurs who penetrate small businesses and entrepreneurs from abroad, this requires halal MSMEs to understand business activities more capably because currently the competitors themselves also equip themselves with good knowledge and understanding in taking advantage of opportunities and challenges in the digital world.

However, to deal with competitors in the business world, halal MSMEs can develop strategies or ways to achieve goals by using available resources in facing the digital world which are opportunities and challenges in the business world, so that halal MSME business activities can exist and develop further, the strategies carried out include:

1) Utilization of Digital Platforms

Halal MSMEs can utilize digital platforms to increase efficiency and increase sales channels, examples of digital platforms that can be utilized are YouTube, Instagram, Tokopedia and other social media.

Abigael T and Renny D in their research stated that from the results of data analysis conducted, some MSMEs in Kampung Kue have utilized digital platforms as a means of marketing, the most frequently used platform is WhatsApp because WhatsApp is more widely used by consumers to contact or order products to the owner. (Natania & Dwijayanti, 2024)

2) Using Digital Marketing

Halal MSMEs can use digital marketing to expand their marketing reach and increase sales. Digital marketing is a marketing activity through digital media in order to promote goods and services so that it can reach consumers in a timely, relevant manner and shape consumer preferences.

Currently, digital marketing is a major component in the marketing strategy of modern companies, some digital marketing strategies that can be done include creating interesting, relevant and informative content, utilizing social media, conducting data analysis.

The description below provides an overview of the use of digital marketing from research conducted by Sagita & Wijaya where the results show that the use of digital marketing is carried out by posting products on social media such as Facebook, Instagram, and WhatsApp status. In addition, it also builds partnerships with Go-Food, Grab-Food, and Shopee-Food to add digital product marketing platforms and convenience in food delivery. (Sagita & Wijaya, 2022)

3) Socialize Halal MSMEs

By introducing halal MSMEs to the community, it will increase the confidence of the Islamic community about micro, small and medium enterprises that are consistent with their religious teachings which have a further orientation, this introduction can be done through social media, websites, and other communication channels.

4) Building Industry Relationships

MSMEs can build industry relationships by entering into partnerships or collaborations in development such as special financing schemes, training, and mentoring. They can also join or form similar associations or communities to obtain information on activities to be undertaken.

An example of building industrial relations as Rahmasari in her research results said that strong collaboration with business partners, suppliers and customers can expand resources, increase market access and accelerate innovation. Through strategic partnerships, companies can share knowledge, technology and risks with business partners, thus creating synergies that benefit all parties. (Rahmasari, 2023)

5) Increase the Role of Religious and Educational Institutions for Halal MSMEs Product Literacy

Halal product literacy needs to be known to increase the awareness of the Muslim community towards halal products. Where the literacy of halal MSME products to the Muslim community can be carried out through formal and informal education such as recitation, meetings, etc. What is very urgent to know is halal certification for MSMEs because it concerns the lives of many people, namely Muslims.

Ica Camelia et al in one of the journals said that halal certification plays a very important role in the development of MSME businesses in Bekasi Regency, where it helps them to seize new market opportunities, increase consumer confidence, and increase their competitiveness in local and global markets. (Camelia et al., 2024)

6) Building Customer Trust in Halal MSMEs

To build public trust in halal MSMEs can be done by:

- Having halal certification provides certainty that the products offered meet the principles of Islamic law, can expand market share because it is more accepted in the community, can increase business competitiveness because it can provide competitive advantages and strengthen the company's opportunities in the international market.
- To increase consumer confidence, you can also make products or services exceed consumer expectations,
- Utilize social media to promote products,
- Giving appreciation to customers.

Muhammad Syaifudin & Fahma in their research stated that Mendoan Ngapak MSMEs engaged in the food industry Before having a halal certificate, the average monthly turnover obtained was IDR 4,500,000.00, while after having a halal certificate it was IDR 9,500,000.00. This the economic benefits obtained have an effect on increasing business income. (Syaifudin & Fahma, 2022)

7) Conduct Digital Economy Development and Training

- MSME players can learn videographics and basic MSME modules through social media.
- Use digital applications that can help businesses in doing business, such as facilitating the purchasing process and saving customer time.
- MSME players can also apply digital marketing such as creating a google my business account, building a website, promoting on social media, collaborating with influencers in conducting advertising campaigns.

Nugroho et al. in their research stated that in an increasingly digital economy, internet-based MSME business activities need to be carried out, and on November 8, 2017, MSMEs Go Online was launched as an effort to lift MSMEs by utilizing internet technology (Nugroho et al., 2020).

8) Doing Digital Financial Management

In order for halal MSMEs to have more knowledge and understanding in utilizing the digital world, they can utilize various technology services such as:

- **E-money**, Digital money that is stored in an electronic account and can be used for payments
- **E-wallet**, An application or service used to store digital money and perform financial transactions
- **Mobile banking**, Digital financial services that can be used to access financial services through mobile devices
- **Internet banking**, Digital financial services used to access financial services via the internet
- **Accounting software**, can assist in recording transactions, salary management, bill payments, and financial reports

9) Following Sharia Principles

Sharia principles that can be carried out by halal MSMEs include:

- a. Not doing usury, or the interest system in financial transactions

The proof of the prohibition of usury as in QS Ali Imran (2): 130

تُفْلِحُونَ لَعَلَّكُمْ اللَّهُ وَاتَّقُوا مُضَعَفَةً أَضْعَافًا الرَّبِّوَا تَأْكُلُوا لَا أَمْنُوا الَّذِينَ يَأْتِيهَا

Translation:

“O believers! Do not consume interest, multiplying it many times over. And be mindful of Allah, so you may prosper”.

- b. no gharar and maysir, or transactions that contain uncertainty and gambling.
- c. Adhering to the principles of justice and social welfare, namely being fair to employees, consumers and other stakeholders.
- d. not producing or selling products that are prohibited in Islam.
- e. Have public accountability.
- f. The above will increase consumer trust and strengthen reputation, expand market share, expand sales, create ongoing relationships with consumers, etc.

According to Dontes et al that the development of Fintech (Financial Technology) has an impact on the emergence of Crowdfunding on the internet network and researchers conducted research on this and the results of their research stated that, the use of crowd funding mechanisms must be in accordance with Islamic rules and sharia in order to be free from elements of maghrib (maysir, gharar, usury) (Dontes putra, 2024).

10) Comply with the Rule of Law Related to Digitalization

Compliance with the rule of law by halal MSMEs will have a good impact on the business activities carried out, especially compliance with regulations on electronic transactions as stipulated in Law Number 11 of 2008 concerning Electronic Information and Transactions lastly by Law No.1 of 2024 concerning the Second Amendment to Law No. 11 of 2008 concerning Electronic Information and Transactions which regulates:

- Rights and obligations of internet users
- Protection of activities that use the internet
- Sanctions for criminals and the spread of fake news
- Responsibility of electronic system organizers
- Protection of personal data
- Electronic signature

11) Always Innovate

Innovative halal MSMEs will be able to meet consumer expectations in meeting their needs and create a competitive advantage because it can increase product competitiveness

Firman in his research stated that the development of innovation and Islamic financial literacy in Indonesia is characterized by three conditions (1) the growth of Indonesia's Islamic financial market has continued to grow rapidly in recent years, (2) increased public understanding of Islamic finance is increasing, and (3) the development of Islamic financial technology (Menne, 2023).

12) Can utilize digital agency services.

To help halal MSME businesses make better use of technology and online platforms, they can use digital agency services to gain knowledge and understanding in the digitization system. The benefits of using a digital agency:

- Can help increase the online visibility of halal MSME businesses through various media.
- Can help Halal MSMEs save time and effort and MSME activities can focus more on core business.
- Can help reduce the risk of errors in digital marketing strategies.
- Can help increase the credibility of the MSME brand
- Can provide MSMEs with access to professional expertise that may be difficult or expensive to develop internally.
- Can help increase the ROI (Return on Investment) of MSME marketing campaigns.
- Can help MSMEs save costs compared to conventional marketing.

4. CONCLUSION

From the description above, it can be concluded that to face the conditions of the business world where advances in information and communication technology allow humans to communicate and access information quickly and without space and time limits, Halal MSMEs must prepare themselves with strategies in facing the digital economy as in the scheme below:



Figure 1. Strategy Scheme for Facing the Digital Economy

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