



ANALYSIS OF PROBLEMS AND SOLUTIONS OF HALAL INDUSTRY IN EAST JAVA

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Abstract: *The halal industry trend continues to grow because it is influenced by the increasing population of Muslim communities with increasing income as well as increasing economic growth. East Java has enormous potential as a center for developing the halal industry. However, there are quite big challenges because there is no master plan for developing the halal industry, halal certification is not yet optimal with many halal products, there is no infrastructure available, limited educational, training and research facilities related to industry, halal logistics and halal industrial areas and a lack of professional and competent human resources. Using the Analytical Network Process (ANP) method. Finding priority problems where generally halal industry human resources, namely MSME players, still have a narrow mindset; MSME players still lack knowledge regarding halal certification of their products. Meanwhile, the priority finding of the solution is to improve the qualifications of MSME human resources using technology to meet halal product standards and product diversification. The next strategic priority finding is the strategy for strengthening micro, small and medium enterprises (MSMEs) as the main driver of halal values.*

Keywords: *problems; solutions; halal industry; east java.*

Abstrak: *Tren industri halal yang terus berkembang karena dipengaruhi peningkatan populasi masyarakat muslim kelas menengah, juga dengan meningkatnya pendapatan masyarakat, mendorong meningkatnya pertumbuhan ekonomi. Jawa Timur dengan potensi sangat besar sebagai pusat pengembangan industri halal, namun menghadapi tantangan cukup besar karena belum adanya masterplan dalam pengembangan industri halal, dengan kondisi belum optimalnya sertifikasi halal pada produk-produk industri. Di sisi lain dengan keterbatasan sarana pendidikan, pelatihan dan penelitian berkaitan industri, logistik halal dan mengoptimalkan kawasan industri halal serta sedikitnya SDM profesional yang kompeten menjadi tantangan dalam pengembangan industri halal.. Dengan metode Analytic Network Process (ANP), menemukan prioritas masalah di mana umumnya SDM industri halal yaitu Para pelaku UMKM masih pola pikir sempit; Para pelaku UMKM masih kurang pengetahuan berkaitan sertifikasi halal produk-produknya. Sementara temuan prioritas solusi adalah meningkatkan kualifikasi SDM UMKM penggunaan teknologi dalam memenuhi standar produk halal dan diversifikasi produk.*



Selanjutnya temuan prioritas strategi adalah Strategi penguatan usaha mikro, kecil dan menengah (UMKM) sebagai penggerak utama nilai halal.

Kata Kunci: masalah; solusi; industri halal; jawa timur.

INTRODUCTION

Halal industrialization in Indonesia, especially in East Java, has experienced very significant developments in the last two and a half decades. This development is marked by the contribution of the halal industry sector to the national GDP of 14.57%. It is also marked by the development of the Indonesian halal product industrial area in Sidoarjo, namely Safe N Lock Eco Industrial Park. The presence of the halal industrial area has contributed to an increase in East Java's exports by 17.31% to member countries of the Organization of Islamic Cooperation (OIC). Approximately 49.35% of cosmetic products are exported to Muslim countries, and 48.45% of products from East Java have been certified halal (Athiroh AS et al., 2022).

The development of the halal industry is influenced by the increase in the population of the Muslim community, accompanied by an increase in public income, and its contribution will enhance economic growth. Of course, this will encourage the increasing demand for halal consumption. Halal products have become a primary need for every Muslim consumer, whether they are beverages, food, cosmetics, medicines, fashion, or other consumer goods (Ardiani Aniqoh & Hanastiana, 2020).

The total consumption of halal products in Indonesia in 2017 reached USD 200 billion. The high consumption of halal products was triggered by a population growth of 1.25% and an increase in people's welfare, marked by an economic growth of 5.17%, with GDP per capita reaching IDR 56.0 million or USD 3,927.0 (Athiroh AS et al., 2022; Sukoso et al., 2020).

Muslim consumers, being the largest demographic in the demand for halal products and services, present a significant opportunity for SME industry players to offer halal products, including halal fashion, halal-certified food, halal tourism services, and Islamic hotel accommodations. Therefore, the government is actively developing the halal industry by establishing halal industrial zones and creating specific regulations for Halal Product Guarantee (JPH). In addition, efforts are being made to enhance the halal tourism sector and improve the quality of the SME sector (Widiastuti et al., 2020).

With the increasing demand for halal consumption, there is an opportunity for SMEs to develop halal products and innovate existing products supported by technology. New

products or modified older products should be designed to function better. New products are not only required to have physical aesthetic value but must also meet emotional needs based on Islamic ethical values. Shari'i hijab products, which are stylish, cool, and trendy, are grounded in religious values and represent an acculturation of Islam and modernity (Mahendri et al., 2020).

East Java BPS data records that there are several business sectors engaged in the fashion sector, amounting to 224,180 business units, of which 30% of fashion SMEs are engaged in the Muslim clothing business. The development of the halal industry is due to Muslim consumers having a strategic role in current global economic industrialization. Based on PEW Forum data from 2010, the number of consumers reached 1.62 billion people, with a market value of US \$2 trillion today. Similarly, in Indonesia, with an 89% Muslim population, the potential of the halal market is very significant. According to Dinar Standard, the total value of the Muslim lifestyle market in Indonesia reached US \$235 billion in 2012.

Despite the high potential of the halal industry in Indonesia, there are several problems in efforts to develop the halal industry, including (1) government policy support is not optimal; (2) supply chain barriers in providing halal raw materials; (3) misperceptions among producers and non-optimal infrastructure. The challenges faced in developing the halal industry include: (1) there is no master plan for the development of the halal industry; (2) a lack of optimal halal certification for many halal products; (3) the unavailability of infrastructure and facilities that support the halal industrialization process, from the provision of raw materials and production processes to the distribution of halal products; (4) limited education, training, and research facilities related to industry, halal logistics, and halal industrial areas; (5) the lack of professional and competent human resources, which means that Indonesia has not been able to become a major player in the halal industry (Sukoso et al., 2020; Widiastuti et al., 2020)

On the other hand, the opportunity for industrial development is very large with the regulation of mandatory halal certification in 2019, which will certainly spur the industry in food products, cosmetics and medicines to carry out halal certification will increase. Therefore, it is necessary for the industry to receive special treatment in the process of obtaining halal certification by policy holders. Another aspect that is influential in utilizing opportunities is market support. This can be seen from the high public trust in halal products that are guaranteed quality from raw materials (halal supply chain) to marketing distribution.

Based on the above background, we are interested in examining what are the problems and how to solve the development of the halal industry in East Java. some research

questions as follows: 1. How is the priority of the halal industry problem in East Java, 2. How is the priority of the halal industry solution in East Java and 3. How is the priority of the halal industry development strategy in East Java?

LITERATURE REVIEW

The halal industry consists of two words: industry and halal. Industry relates to a processing activity or processing done using equipment or technological means, such as machines, while halal is a permissible concept that is not prohibited by Islamic sharia (S Soesilowati, 2018). In other words, the word sharia is closely related to Islamic law with a universal and tolerant character. The use of the word halal is more technical and operational, where the halal industry is related to an activity in processing raw materials using machine tools that are permitted by Islamic sharia.

In its implementation, the halal industry is regulated by the regulation of Law No. 33 of 2014 concerning Halal Product Guarantee. With this regulation has the aim of guaranteeing the freedom of each resident to embrace their respective religions, in this case the state is present to provide protection and guarantees about the halalness of the product. With this regulation, it is emphasized that products circulating in Indonesia are not only food and beverages, but also cosmetics, medicines, chemical products, biological products, foundation products, goods used, used, and utilized by the public. In addition, this law also regulates halal services, including tourism, travel, media, and entertainment (Sukoso et al., 2020).

In several studies, the development of the halal industry in the global world is influenced by the growth of the world's Muslim population, geography, economic growth, Muslim consumers are increasingly religious, geopolitical factors because the halal industry needs to build international relations and political stability (Wilson & Liu, 2011). Factors that influence the development of the halal industry due to the population of the Muslim community, the increasing purchasing power of the Muslim community in aggregate, the increasing demand for products is getting higher. supported by increasingly adequate legal and regulatory infrastructure. On the one hand, the increase in halal products can develop because the consumption behavior of the middle class is getting bigger. This will encourage the middle class to fulfill their primary needs and other needs (Sukoso et al., 2020). The actors in the halal industry are dominated by the small and medium enterprise (SME) sector, which is the largest economic sector in Indonesia, which plays a role of around 99% in national economic activity. So it is not surprising that the majority of halal industry players

are SME entrepreneurs. Including halal food halal industry players and Muslim fashion in East Java, all of them are from micro and small businesses in carrying out raw material processing activities, both raw materials and semi-finished materials to become goods with higher economic value and benefit the community.

The most important thing in the halal industry is related to the provision of raw materials, high production costs, lack of standardization in the production process, limited innovation capabilities, unprofessional financial management. In addition, halal SMEs are constrained by capital, competition, technology and weak business networks as well as lack of experience from the marketing aspect of business expansion (Arif, 2009). There is also a low awareness of obtaining halal certification, most halal food SMEs lack knowledge of the requirements for IPR registration. Several studies conducted have proven that entrepreneurs who register IPR can increase the market value of their products. This phenomena can be an opportunity to the global market and can get greater profits (Ardiani Aniqoh & Hanastiana, 2020)

In addition to the food sector, the development of the fashion business has become quite popular. The indicator is the increasing number of Muslim fashion businesses that produce all types of sizes and types of clothing from children to adult sizes. Even the Muslim fashion industry has an impact on the recognition of Indonesia as a halal industry player in the global world. The rise of the Muslim fashion industry is synonymous with the Muslim middle class, characterized by changes in religiosity values in everyday life and an open way of thinking that affects product choices that are increasingly rational and pay attention to religious principles (Yuswohady et al., 2014). Because religion has a very important role in shaping the fashion behavior of Muslim women because Muslim women must comply with the rules determined by sharia, where the way of fashion indicates the level of religiousness through religious values that consistently influence fashion behavior (O'Cass et al., 2013). Even the rise of the Muslim fashion business is not only triggered by the motive of maximum corporate profits is not the only business goal but also followed by spiritual achievement initiatives by realizing sharia compliance in the company in promoting Islamic values in its operations (Rahman et al., 2016).

Research (Widiastuti et al., 2020) examines the obstacles faced by the development of the halal industry, among others, related to the policy of providing halal products in Indonesia. However, the findings in the field are that halal certification of products has not been absolutely implemented. Human resource constraints in producers of halal goods production. The third obstacle is infrastructure, especially legal infrastructure in providing

halal certification of halal goods products. Meanwhile, socialization constraints that have not been maximally carried out, especially related government agencies and halal stakeholders in Indonesia. Finally, production constraints related to the production process specifically the provision of raw materials because some of the raw materials are supplied from abroad, of course this will have an impact on the production of halal goods.

Some studies explain the existence of halal SMEs in developing halal products. Such research outlines how strategies are carried out to improve the competitiveness of halal SMEs in Central Java. The findings are: (1) Strategy for certification of halal MSME products, strategy for efforts to increase the role of fintech in financing and marketing strategies for SME products (2) Strategy to build synergies with related institutions for halal MSME product innovation; (3) Strategy to increase branding of halal MSME products through technology and information media. (Pujiono et al., 2018) The study of halal MSMEs in East Java outlines the culture and characteristics of East Java as a center of small and medium industry where 17.31% is exported to OIC countries while 49.35% of cosmetic products go to Muslim countries. This data also shows that 48.45% of products coming out of East Java are halal products that must be equipped with halal certification (Athiroh AS et al., 2022) Another advantage of the halal industry in East Java is the construction of the Safe N Lock Halal Industrial Zone in Sidoarjo with an area of 148 hectares. The birth of the halal industrial area to supply consumers both domestically and abroad (Sayekti Nidya Waras & Carunia, 2022).

RESEARCH METHOD

The research method used is Analytic Network Process (ANP) as a method for decision making for the business world by including various factors and criteria, both tangible and intangible with regard to making the best decision (Darmawan, 2018). There are three basic principles of ANP: decomposition, comparative judgements, and hierarchical composition or synthesis of priorities. In accordance with the basic principles, the main functions of ANP are three: structuring complexity, measurement, and synthesis.

Sources and methods of data collection by selecting informants are of course associated with the research objectives to be achieved from the writing of this study. Informants in this study, researchers call the term halal industry stakeholders in East Java, namely from the government as a regulator, organizations that accommodate and assist the halal industry, MUI, Halal Certification Agency and Halal industry players. Data collection techniques include, among others: (1) Conduct in-depth interviews with various halal

industry players which include the halal food and beverage industry, the halal fashion garment industry, and the Islamic finance industry; (2) Compile a composition to identify, analyze and structure the complexity of the problem into the ANP network; (3) Documentation is also carried out at the same time to cross check (triangulation) the results of interviews conducted; (4) Conduct a second interview, by distributing questionnaires conducted to analyze the halal industry.

As stated by Ascarya (2005), There are three stages in the ANP method, among others: (1) ANP Model Construction. In the construction of the model related to the problem of obstacles faced in the development of the halal industry based on the ANP model test stage, it is achieved through 1) conducting a literature review related to the halal industry, 2) interviews with experts. Furthermore, construction is carried out based on the data collected or referring to related theories: (2) Model Quantification After the ANP construction is formed, the ANP questionnaire is prepared with a pairwise comparison questionnaire model using a scale of 1,2,3,4,5,6,7,8,and 9; (3) Analysis of Results, namely the data filled in by experts, the next step is to process the data and upload it to the “super decision” software to get a value on the rater agreement and geometric mean. What is meant by rater agreement is to test the suitability of the respondent's answer while the geometric mean is to examine the priority of the respondent as an answer to the problem being studied (Saaty & Vargas, 2016).

RESULT AND DISCUSSION

Problems in terms of developing the halal industry in East Java, what are the solutions and what development strategies can be described as follows:

Problems Identification

- 1) JPH implementation policy has not been maximized
- 2) Product certification policy has not been standardized
- 3) The roadmap policy is not yet mature
- 4) Understanding of halal certification regulations is low
- 5) Understanding of the importance of JPH is still low
- 6) MSME players still pay little attention to the importance of halal certification
- 7) MSME players still lack knowledge regarding halal certification of their products
- 8) MSME players still have a narrow mindset
- 9) Lack of adequate infrastructure, especially also the lack of coordination of institutions that handle infrastructure
- 10) lack of socialization, education and information regarding halal



- 11) Limited raw materials that meet halal criteria in production
- 12) There are several sectors that still depend on imported raw materials

Solutions Identification

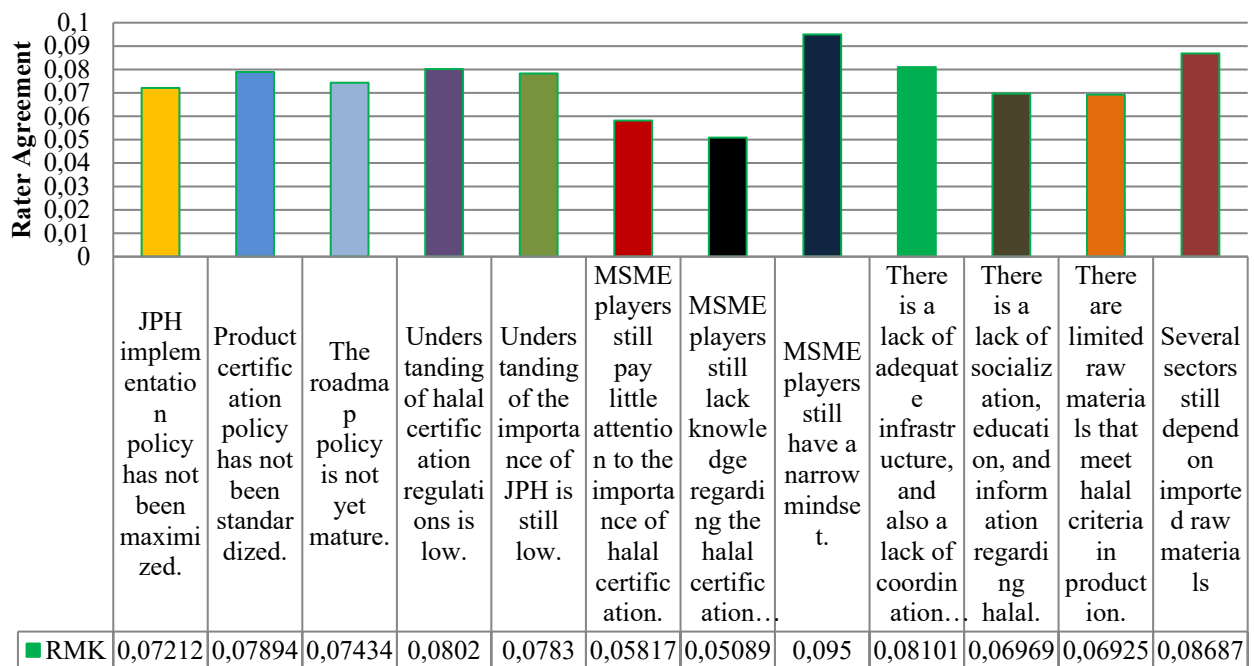
- 1) Maximizing halal certification through mandatory policies
- 2) Efforts to improve the halal industry eco system
- 3) Renewal of the current halal industry development road map
- 4) Training in improving knowledge, skills and attitudes to increase competence
- 5) Improving the qualifications of MSME human resources using technology in meeting halal product standards and product diversification
- 6) Halal Product Process Assistance Institution
- 7) Increase the role of religious and educational institutions for halal product literacy education
- 8) Building synergies with institutions related to halal MSME product innovation
- 9) Improve the qualifications of MSME human resources in the use of technology in meeting halal product standards and product diversification
- 10) Strengthening the halal value chain in potential sectors with high competitiveness

Alternative Strategy

- 1) Strategy for strengthening micro, small and medium enterprises (MSMEs) as the main driver of halal value
- 2) Strategy for utilizing and strengthening digital marketing
- 3) Strengthening the halal value chain in potential sectors with high competitiveness

Overall Results Geometric Mean

To find out the results of individual assessments from respondents and determine the results of opinions in one group, an assessment is carried out by calculating the geometric mean. Questions in the form of a comparison (Pairwise comparison) from respondents combined to form a consensus. Geometric mean is a type of average calculation that shows a certain tendency or value. Based on the ANP method, Rater Agreement is a measure that shows the level of conformity (agreement) of the respondents (R1-Rn) on a problem in one cluster. Kendall's coefficient of concordance ($W = 0-1$) is one of the tools to measure rater agreement. $W=1$ indicates perfect agreement. The steps to calculate rater agreement: (1) Transpose; (2) Rank; (3) Calculate W .



W=0,157

Figure 1. Halal Industry Problems Chart (Authors, 2025)

Based on the transpose value on 7 expert respondents' answers regarding the priority aspects of the halal industry problem as shown in the figure above, both experts and practitioners agree that the most priority problem is that generally MSME players still have a narrow mindset, then MSME players still pay little attention to the importance of halal certification. With a high rater agreement value of ($W = 0.157$). The high rater agreement of 0.157 indicates that both experts / academics and practitioners are relatively agreed in determining the priority aspects of the halal industry problem in human resources, namely that MSME actors are still weak in terms of knowledge and narrow-minded in an effort to develop the businesses they manage more productively, especially regarding halal certification.

Solution Analysis

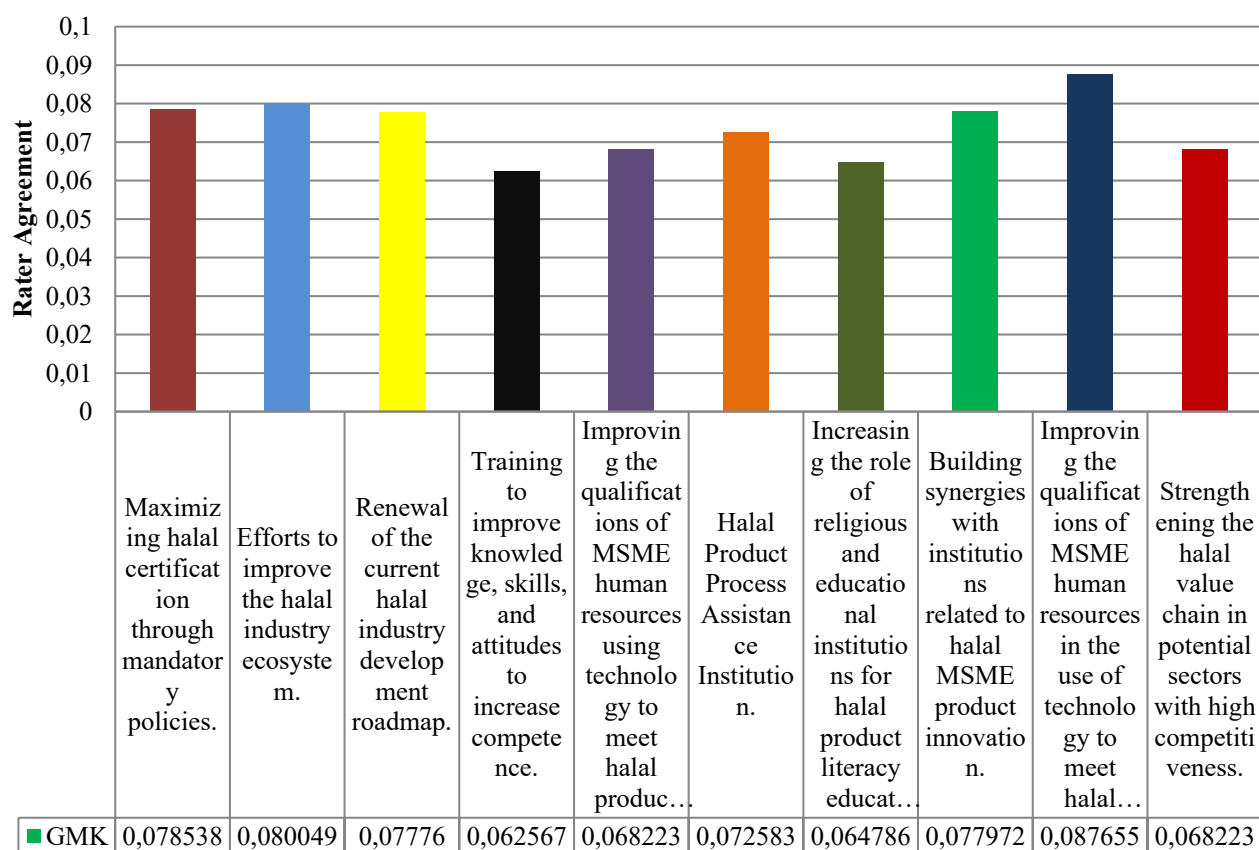


Figure 2. Solutions Halal Industry Chart (Authors, 2025)

The results obtained show statistically the consensus of experts and practitioners regarding the problems and solutions to the development of the halal industry in East Java in the figure above, for the results of problem prioritization, it shows that the problems of halal MSME players are the most important aspects, with a fairly large rater agreement value ($W = 0.036$). This shows that the answers of respondents regarding the prioritization of this strategy are more varied.

Strategy Analysis

The results obtained as a whole, the priority order of strategies with a low rater agreement value of ($W = 0.018$) indicate that the answers of the respondents regarding the prioritization of these strategies are more varied.

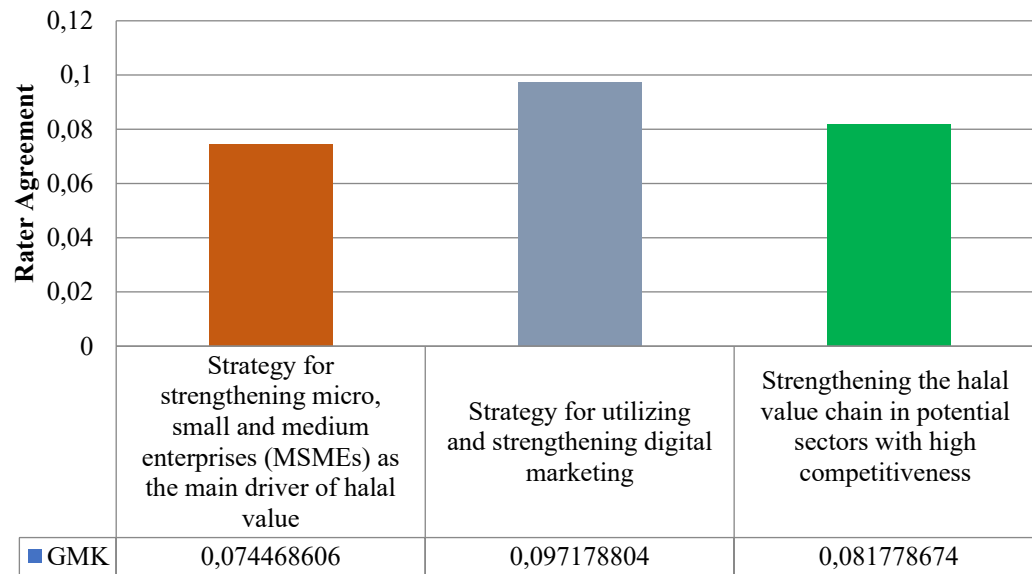


Figure 3. Prioritizing Halal Industry Strategy Chart (Authors, 2025)

Analysis of the Synthesis Results of Halal Industry Problems

Some of the problems faced in developing the halal industry include: (1) JPH implementation policy has not been maximized; (2) Product certification policy has not been standardized; (3) The roadmap policy is not yet mature; (4) Understanding of halal certification regulations is low; (5) Understanding of the importance of JPH is still low; (6) MSME players still pay little attention to the importance of halal certification; (7) MSME players still lack knowledge regarding halal certification of their products (8) MSME players still have a narrow mindset; (9) Lack of adequate infrastructure, especially also the lack of coordination of institutions that handle infrastructure; (10) lack of socialization, education and information regarding halal; (11) Limited raw materials that meet halal criteria in production; (12) MSME players still lack knowledge regarding halal certification of their products.

In Figure 2, illustrates that the priority of the synthesis results shows that the most priority problem is that MSME actors still have a narrow mindset. MSME actors still lack knowledge regarding halal certification of their products and followed by MSME actors still pay little attention to the importance of halal certification. As expressed (Prayoga, 2023)

that in 2022 there is a target of 10 million free halal certifications for MSEs, it's just that the uptake is not optimal, which is only around 200,000 of the 10 million that can be absorbed". The non-achievement of the halal certification target for MSMEs Then, the community still believes that by having their products halal certified, it narrows the market share. The community still has the view that when their products are halal certified, only Muslim consumers can buy them, so they are afraid that their products will increasingly not sell in the market.

Furthermore, the constraints on business actors / product owners themselves. Where they still think that when they are halal certified, there will not be many investors who want to invest in their business. For example, the strongest investors from non-Muslim countries, have been working with China, Japan, then when halal certified, they are afraid that investors will not continue their investment cooperation. Even though it is not true, non-Muslim countries are also interested in halal-certified products. Maybe even more can increase their investment capacity.

In this section, the solutions faced in developing the halal industry in Indonesia, especially in East Java, will be presented. Some of the problems faced in developing the halal industry include: 1. Maximizing halal certification through mandatory policies; 2. Efforts to improve the halal industry ecosystem; 3. Renewal of the current halal industry development roadmap; 4. Literacy to increase knowledge about JPH; 5. Training skills and attitudes to improve competence; 6. Assistance from Halal Product Process Institutions; 7. Increasing the role of religious and educational institutions for halal product literacy education; 8. Building synergies with institutions related to halal MSME product innovation; 9. Improving the qualifications of MSME human resources in the use of technology to meet halal product standards and product diversification; 10. Strengthening the halal value chain in potentially highly competitive sectors.

Analysis of the Synthesis Results of Halal Industrial Solutions

Some of the problems faced in developing the halal industry include: 1. Maximizing halal certification through mandatory policies; 2. Efforts to improve the halal industry ecosystem; 3. Renewal of the current halal industry development road map; 4. Literacy in increasing knowledge about JPH; 5. Training skills and attitudes to improve competence; 6. Halal Product Process Assistance Institution; 7. Increasing the role of religious and educational institutions for halal product literacy education; 8. Building synergies with institutions related to halal MSME product innovation; 9. Improving the qualifications of

MSME human resources in the use of technology in meeting halal product standards and product diversification; 10. Strengthening the halal value chain in potential highly competitive sectors.

Figure 3 illustrates that the priority of the synthesis results shows that the most prioritized solution is to improve the qualifications of MSME human resources using technology in meeting halal product standards and product diversification and followed by efforts to improve the halal industry ecosystem. while the solution that occupies the last priority is literacy in increasing knowledge about JPH.

The opportunities in developing the halal industry, especially halal MSMEs, as noted by (Pujiono et al., 2018), can be achieved by:

1. Increased external confidence in the economy and industry. In recent years, the Indonesian economy has experienced relatively high and stable growth, which has increased the confidence of investors.
2. Increased technology and information. With the development of information technology, especially the internet, all information related to SMEs can be known and disseminated through the media without recognizing the limits of space and time. This also opens up online marketing, as well as various social media and other platforms.
3. The development of financial technology has made financial transactions easier, cheaper, and faster.

Analysis of Synthesis Results of Halal Industrial Solutions

For the strategic aspect, as shown in the graph above, which consists of the overall geometric mean results, it indicates that for experts and practitioners, the most prioritized strategy is the strengthening of micro, small, and medium enterprises (MSMEs) as the main driver of halal value. This strategy addresses several issues faced by MSME business actors who still have a narrow perspective, particularly in terms of knowledge and attitudes towards halal products.

For the strategy aspect, as shown in the figure 3 above, which consists of the overall geometric mean results, it shows that for experts and practitioners, the most prioritized strategy is the strategy of strengthening micro, small and medium enterprises (MSMEs) as the main driver of halal value. This strategy is the answer to several problems of MSME business actors who still think narrowly, aspects of knowledge and attitudes towards low halal products.

The second strategy as a priority is a strategy to increase the role of fintech for financing and product certification and product marketing. Strategy as an answer Synergy by building a halal industry eco system through the Islamic financial sector can be one solution to the problem of minimal availability of financing instruments that are in accordance with the needs of new renewable energy (EBT). Through sharia-based financing with various schemes, the halal industry ecosystem can contribute to being a supporting factor in achieving EBT that has been set for 2025 and 2050. With the optimal utilization of EBT in Indonesia, it is expected to be a support for the spearhead of the halal industry, including: tourism, food and beverage industry, Muslim fashion, pharmaceuticals and cosmetics and recreational media. Especially with halal tourism, Indonesia can synergize EBT production sites into one of the green tourism-based tourism destinations (Sayekti Nidya Waras & Carunia, 2022). The third strategy is the strategy of utilizing and strengthening digital marketing. As Ayodya (2021) stated that the development of technology and information media has changed the product marketing system to digital systems such as e-commerce, websites and social media. One of the advantages of digital media is that the costs tend to be cheap, the implementation is easy and fast, and the reach of internet users throughout the world.

CONCLUSIONS

An analysis of problems and solutions for the halal industry in East Java can be concluded as follows:

1. Priority problems in developing the halal industry can be classified as follows: (1) The implementation policy of JPH has not been maximized; (2) The product certification policy has not been standardized; (3) The roadmap policy is not mature; (4) Understanding of halal certification regulations is low; (5) Understanding of the importance of JPH is still low; (6) MSME players pay little attention to the importance of halal certification; (7) MSME players lack knowledge regarding halal certification of their products; (8) MSME players have a narrow mindset; (9) There is a lack of adequate infrastructure, especially the lack of coordination among institutions that handle infrastructure; (10) There is a lack of socialization, education, and information regarding halal; (11) There are limited raw materials that meet halal criteria in production; (12) MSME players lack knowledge regarding halal certification of their products. Of all the issues in developing the halal industry in East

Java, the priority problem is that MSME players have a narrow mindset and lack knowledge regarding halal certification of their products.

2. Maximizing halal certification through mandatory policies; 2. Efforts to improve the halal industry ecosystem; 3. Renewal of the current halal industry development roadmap; 4. Literacy in increasing knowledge about JPH; 5. Training skills and attitudes to improve competence; 6. Halal Product Process Assistance Institution; 7. Increasing the role of religious and educational institutions for halal product literacy education; 8. Building synergies with institutions related to halal MSME product innovation; 9. Improving the qualifications of MSME human resources in the use of technology to meet halal product standards and product diversification; 10. Strengthening the halal value chain in potentially highly competitive sectors. Of all the series of solutions for developing the halal industry in East Java, the priority is to improve the qualifications of MSME human resources using technology to meet halal product standards and product diversification, and the second priority is efforts to improve the halal industry ecosystem.
3. The strategy of utilizing and strengthening digital marketing; 2. The strategy of strengthening micro, small, and medium enterprises (MSMEs) as the main driver of halal value; 3. The strategy of increasing the role of fintech for financing, product certification, and product marketing. Among the three series of halal industry development strategies in East Java, the priority is the strategy of strengthening micro, small, and medium enterprises (MSMEs) as the main driver of halal value.

Based on the results of this study, the following recommendations can be made for stakeholders involved in the development of the halal industry in East Java, particularly regarding support from local government and local higher education institutions.

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