

Empowerment of MSMEs through Halal Product Certification to Strengthen Business Identity in Sempajaya Village, Berastagi District

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Article Info

Article History:

Received : 24/10/2025

Reviewed : 24/10/2025

Revised : 28/10/2025

Accepted : 03/11/2025

Keywords:

ABCD Approach;
Business Identity;
Empowerment;
Halal Certification;
MSMEs;



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Abstract

This community service program addressed low awareness and limited legality compliance of MSMEs regarding halal certification in Sempajaya Village, Berastagi District. Using the Asset-Based Community Development (ABCD) approach, the program implemented participatory mentoring, administrative assistance for NIB and NPWP, creation of SiHalal accounts, and facilitation of the self-declare certification process. Collaboration among students, BPJPH representatives, P3H, and local officials successfully improved halal literacy, administrative readiness, and digital capability. Quantitatively, 7 MSMEs completed legality registration, and 3 advanced to halal certification. Qualitatively, participants shifted their perception of halal certification from a religious formality to a strategic business standard. This initiative empowered local entrepreneurs and contributed to the Sustainable Development Goals, particularly SDG 8 (Decent Work and Economic Growth), SDG 9 (Industry, Innovation, and Infrastructure), SDG 12 (Responsible Consumption and Production), and SDG 17 (Partnerships for the Goals), by promoting inclusive economic growth, technological capacity-building, responsible business practices, and multi-stakeholder collaboration. The program provides an inclusive and replicable model for strengthening MSME competitiveness through halal-based identity building and sustainable local development.

INTRODUCTION

Micro, Small, and Medium Enterprises (MSMEs) make a significant contribution to the national economy, both in terms of job creation, labor absorption, and contribution to Gross Domestic Product (GDP). According to data from the Ministry of Cooperatives and SMEs, the number of MSMEs in Indonesia has reached 64.2 million units, contributing 61.07% of GDP, equivalent to Rp8,573.9 trillion, far exceeding the contribution of large-scale businesses, which only contribute Rp5,464.7 trillion (Hartanto, 2021). In addition, MSMEs absorb more than 117 million workers or 97% of the total workforce, while also collecting 60.4% of total national investment (Kementerian Keuangan Republik Indonesia, 2024). This fact confirms that MSMEs are an important foundation in supporting the Indonesian economy.

In the era of globalization and increasingly tight market competition, business identity is an important aspect that MSMEs must pay attention to (Maulana et al., 2024). One of the important instruments in building a business identity, especially in Indonesia where the majority of the population is Muslim, is halal certification (Zuraidah et al., 2023). Products with the halal label not only provide a guarantee of trust for Muslim consumers, but also increase the added value of the product so that it is more competitive (Pratiwi et al., 2025). This halal is in line with research by Fadhli (2025), which states that the existence of a halal label has been proven to be able to strengthen a professional image, differentiate products from competitors, and open up wider market opportunities, because consumers tend to choose products with halal guarantees as a form of quality assurance and trust. Likewise, Ikhwan (2024), those who state that halal

certification is a comprehensive system to ensure product quality and can be used to achieve excellence in market competition by meeting the needs of consumers who request halal insurance.

Sempajaya Village, Berastagi District, is an area with significant economic potential through the MSME sector, particularly in the culinary and local processed product sectors. The village's community has a relatively balanced religious diversity between Islam and Christianity, so the MSME products produced are influenced by the cultural backgrounds and beliefs of each entrepreneur. However, most MSME products in this village still face challenges in strengthening their business identity (Wahrini & Hasbi, 2024). Their products are not yet fully halal certified, even though this is crucial for ensuring quality and safety for consumers, especially Muslim tourists. Muslim tourists are very concerned about the halal nature of the food and beverages they consume (Asmarawati, 2024).

However, the application of halal certification in multicultural areas still faces socio-cultural challenges that affect the participation of local business actors. The main problem identified in this program lies in the cultural and religious diversity of Sempajaya Village, where many business actors are non-Muslims and have limited understanding of halal certification. This condition has led to low awareness and participation in halal certification, despite the village's growing potential as a culinary and tourism destination (Tsabita, 2025). The absence of halal certification not only affects consumer trust, especially from Muslim visitors, but also limits the market reach and competitiveness of local MSMEs (Pujiyanto & Setyorini, 2024). The need for a more inclusive approach arises from the social and cultural diversity of business actors in Indonesia. Sujibto & Fakhrudin (2023) found that many non-Muslim entrepreneurs tend to perceive halal certification as a religiously bound obligation, which restricts their engagement. In contrast Awaluddin (2025) argue that halal certification should be recognized as a universal quality assurance system that applies across faiths, aligning with professional and market standards.

The implementation of halal certification also reflects the realization of global sustainability principles as outlined in the United Nations Sustainable Development Goals (SDGs) (Putri & Sholihah, 2024). This initiative aligns closely with SDG 8 (Decent Work and Economic Growth) through its contribution to promoting sustainable entrepreneurship, expanding employment opportunities, and strengthening local economic growth. It also supports SDG 9 (Industry, Innovation, and Infrastructure) by encouraging innovation and standardization among MSMEs, enhancing product quality, and building the foundation for resilient small-scale industries. Furthermore, halal certification contributes directly to SDG 12 (Responsible Consumption and Production) by promoting ethical, safe, and environmentally responsible production practices that comply with halal principles.

Based on these conditions, efforts are needed to strengthen the identity of MSMEs through integrated programs, one of which is halal product certification. Halal certification programs will provide formal legitimacy for product quality and safety (Muthoharoh, 2025). Thus, strengthening business identity through halal certification is expected to increase the competitiveness of MSMEs in Sempajaya Village while simultaneously encouraging sustainable economic growth in the community.

The novelty of this research lies in its approach, which views halal certification not merely as an administrative obligation but as a strategy for building a business identity based on religious values and local diversity. This study seeks to illustrate how halal certification can be an inclusive instrument for strengthening the competitiveness of MSMEs in multicultural areas like Sempajaya Village, while simultaneously encouraging integration between the halal economy and the region's tourism potential.

IMPLEMENTATION METHOD

This community service program was held from July 31 to September 1, 2025, in Sempajaya Village, Berastagi District. The location was chosen deliberately because this area has significant MSME potential, but aspects of business identity and product legality remain underutilized. The main objective of this activity is to strengthen the MSME business identity through business branding and halal certification programs.

The implementation team consisted of students who collaborated directly with MSME actors, village stakeholders, and halal supervisors in Berastagi District. The sample of this study consisted of ten (10) MSME owners in Sempajaya Village, selected using a random sampling technique. This method was chosen to provide equal opportunity for all MSME actors in the area to be included in the program, ensuring that the collected data represented the general conditions of MSMEs in the village. The selected businesses represent various sectors, including food, beverages, and culinary products, which reflect the diversity of local economic activities.

The approach used in this activity was Asset-Based Community Development (ABCD), a community development approach that focuses on identifying, mapping, and utilizing local assets rather than emphasizing deficiencies or problems. The main principle of this method is to view the strengths and potential of business actors as assets that can be transformed to strengthen business competitiveness and sustainability (Kretzmann & McKnight, 1993).

The data collection techniques included observation, interviews, and documentation. During the observation phase, the implementation team directly examined business conditions and assessed MSMEs' readiness for halal certification. Semi-structured interviews were conducted with business owners and village officials to gather information about their challenges, awareness, and perceptions related to halal certification. Meanwhile, documentation was systematically collected throughout the program, including field notes, legality progress reports, and certification application records, which served as supplementary evidence for data analysis.

During the halal certification phase, the implementation team also directly engaged with halal supervisors (P3H) to ensure that the application process was carried out according to procedures and national halal certification standards.

To provide a clearer overview of the program's implementation flow, the following framework illustrates the stages of strengthening MSME business identity through halal certification based on the Asset-Based Community Development (ABCD) approach. Each stage is interconnected, starting from asset identification to certification and empowerment outcomes.

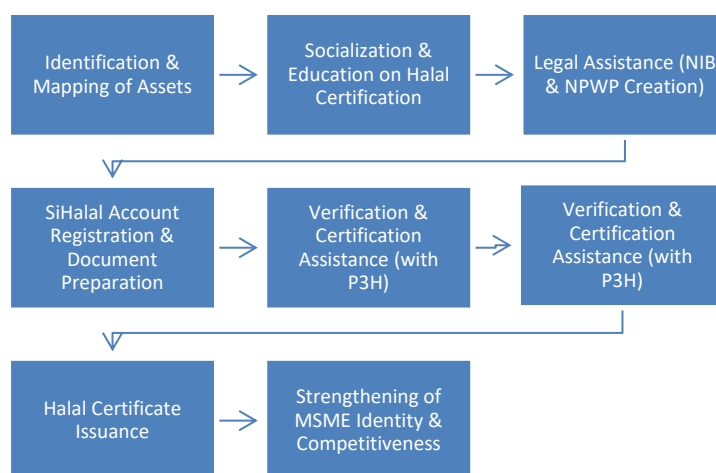


Figure 1. Framework of the MSME Halal Certification Empowerment Program

RESULTS

MSME Readiness and Initial Conditions

Before the mentoring program began, an initial survey showed that most MSME players in Sempajaya Village had limited understanding of the procedures and benefits of halal certification. Some were even unaware that certification could be obtained free of charge through the BPJPH Sehati Program. The majority did not have business legality through OSS and were unfamiliar with digital platforms such as SiHalal. Based on participant profiles, 60% had a high school education, 50% had 6–10 years of business experience, and 80% were in the culinary and snack sectors, with ages ranging from 25–30 and 41–45 years old. This data shows that Sempajaya MSMEs have practical experience but still need to improve their administrative and digital literacy to support halal certification readiness.

Table 1. Characteristics of MSME Participants in Sempajaya Village

Variable	Category	Frequency (n = 10)	Percentage (%)
Education Level	Elementary School	2	20%
	Junior High School	1	10%
	Senior High School	6	60%
	Diploma (D3)	1	10%
	Bachelor's Degree (S1)	0	0%
Age Range (Years)	25–30	3	30%
	31–35	2	20%
	36–40	0	0%
	41–45	3	30%
	>45	2	20%
Length of Business	<3 years	1	10%
	3–5 years	2	20%
	6–10 years	5	50%
	>10 years	2	20%
Business Type	Culinary/Food	5	50%
	Beverages	1	10%
	Snacks	3	30%
	Fruits	0	0%
	Breakfast	1	10%

The data in Table 1 indicates that most MSMEs were moderately experienced entrepreneurs with limited formal education and administrative readiness. These conditions served as the foundation for the subsequent stages of the program, which focused on strengthening business legality, improving digital literacy, and enhancing participants' capacity to fulfill the requirements for halal certification through the *Sehati* scheme.

Implementation of Empowerment Activities

The halal certification empowerment program for MSMEs in Sempajaya Village was implemented through collaboration between students, the BPJPH Task Force, P3H, and the village government to strengthen business identity by increasing understanding, legality, and compliance with halal standards. Of the 10 MSMEs in the culinary, beverage, and processed food sectors that were identified, most did not have legal documents and did not understand the certification process. Through the Asset-Based Community Development (ABCD) approach, assistance was provided in five stages, resulting in seven MSMEs obtaining business legality and three others successfully obtaining or currently processing halal certification through the BPJPH *Sehati* Program, while also increasing professionalism and inclusive competitiveness for Muslim and non-Muslim business actors.

Implementation Outcomes

The implementation of the halal certification assistance program in Sempajaya Village has resulted in tangible progress in terms of administration and the behavior of MSME actors. Through direct guidance, participants were encouraged to complete business documents, register digitally, and understand the self-certification procedure. Collaboration between students, P3H, and the

village government effectively reduced administrative barriers and increased the trust and participation of business actors.

The quantitative results in Table 2 show a significant increase in business legality completion, certification readiness, and understanding of halal principles, proving that a community-based empowerment approach with technical facilitation can improve compliance and strengthen the identity of MSMEs.

Table 2. Summary of MSME Legality and Halal Certification Progress

Indicator	Before Program	After Program	Increase
MSMEs with NIB	0	3	+3
MSMEs with NPWP	4	7	+3
MSMEs Process Halal Certification	0	3	+3
MSMEs with Good Understanding of Halal Certification	3	10	+7

Table 2 shows a significant increase in legal compliance, certification readiness, and understanding of halal principles, with the number of MSMEs understanding halal certification rising from 3 to 10. However, only 3 MSMEs successfully processed certification due to the limited scope of the program and other practical constraints. The self-declaration program is only intended for micro-enterprises that use certain raw materials designated by BPJPH as eligible for independent registration. Businesses that use raw materials such as chicken or other animal products, for example, are excluded from this category because they require additional inspections related to safety, slaughtering, and sharia-compliant processing (Halal Corridor, 2025).

Table 3. Results of Substantive Aspect Evaluation

Indicator	Before Program	After Program
Do MSMEs have NIB (business legality)?	0%	30%
Do MSMEs have NPWP?	40%	70%
Do MSMEs process halal certification via SiHalal?	0%	30%
Do MSMEs understand halal certification procedure?	30%	100%
Do MSMEs understand the benefit of halal certification for business identity & competitiveness?	35%	90%
Are MSMEs able to upload and complete SiHalal requirements?	10%	80%
Do MSMEs understand halal as a business and quality standard (not only religious aspect)?	30%	80%
Do MSMEs show intention to maintain halal procedures (sustainability intention)?	20%	90%

The halal certification mentoring program in Sempajaya Village has significantly increased the capacity of MSMEs, according to activity data. Before the program, no MSMEs had a NIB and none had processed halal certification, while understanding of halal certification procedures had only reached 30% and digital literacy through OSS/SiHalal was only around 20%. After mentoring, 30% of MSMEs had obtained a NIB, 70% had a Taxpayer Identification Number (NPWP), 30% had begun processing halal certification through SiHalal, and MSME understanding of certification procedures increased to 100%. Furthermore, MSMEs' ability to use digital platforms increased to 85%, and understanding of halal as a professional business standard reached 80%. These data demonstrate that structured mentoring can significantly boost business legality, digital literacy,

and halal readiness among local MSMEs. Apart from that, from the aspect of participant ability, it is assessed according to the table below.

Table 4. Participant's abilities after mentoring

Indicator	Fair	Good	Very Good
Halal knowledge	2 (20%)	5 (50%)	3 (30%)
Digital literacy	1 (10%)	2 (20%)	6 (60%)
Understanding of halal as business standard	2 (20%)	5 (50%)	3 (30%)
Sustainability intention	2 (20%)	2 (20%)	6 (60%)

Table 3 shows the distribution of MSME participants' abilities after the halal certification assistance program, categorized as Fair, Good, and Very Good. The results indicate notable improvements in four key indicators. Halal knowledge and understanding of halal as a business standard improved, with 50% of participants at Good and 30% at Very Good levels. Digital literacy and sustainability intention showed strong progress, with 60% reaching Very Good. Overall, the program enhanced participants' knowledge, digital skills, understanding, and commitment to sustainable halal practices, supporting the development of sustainable halal MSMEs aligned with SDG principles.

Behavioral and Capacity Improvement

The halal certification assistance program in Sempajaya Village has not only improved administrative progress, but also built capacity and changed the behavior of MSME actors. Through continuous assistance, the perception that halal certification is complicated has changed to an understanding that certification is a guarantee of quality, consumer protection, and a standard of professionalism that increases product competitiveness. Halal literacy and digital confidence have increased, as evidenced by the ability to independently use the OSS and SiHalal platforms, as well as innovations in packaging design, labeling, and hygiene standards. This transformation demonstrates the practical application of halal principles in business development while strengthening the identity of ethical, sustainable businesses and driving local economic growth.

Summary of Quantitative and Qualitative Findings

The community empowerment program in Sempajaya Village has shown significant quantitative and qualitative progress. Quantitatively, this program has increased MSME compliance with business legality and halal certification through the completion of NIB, NPWP, and independent certification, proving that structured assistance can simplify administrative processes and encourage active participation. Qualitatively, the program has changed the mindset and behavior of MSME actors by increasing halal literacy, digital confidence, and improving product packaging and branding. Business actors now view halal certification as a strategy to build consumer trust and expand markets, with a sustainable impact that strengthens the foundation of ethical and competitive MSMEs.

Visual Documentation Results

Visual documentation serves as evidence of the implementation of the halal certification assistance program in Sempajaya Village, which includes stages of socialization, administrative assistance with NIB and NPWP, to field assistance with P3H. This activity demonstrates the active participation of MSMEs and collaboration between students, village governments, and halal supervisors in ensuring that the legality and certification processes run smoothly. The documentation confirms that the assistance was provided in a participatory, inclusive manner, and focused on empowering MSMEs to become independent in managing halal certification.

Table 5. activity summary

Documentation	Description
	Socialization of the Halal Certification Program in Sempajaya Village
	The process of assisting MSMEs in collecting MSME documents as the initial stage of obtaining a NPWP and NIB
	Field survey with Halal Product Process Companions (P3H) for MSMEs in Sempajaya Village

DISCUSSION

Overview of Findings and Contextual Interpretation

The results of the halal certification mentoring program in Sempajaya Village reveal that increasing awareness and literacy plays a crucial role in transforming MSME perceptions toward

halal certification. Initially, most business owners viewed the certification process as complex, costly, and only necessary for large-scale enterprises. However, after the socialization and participatory mentoring conducted by students, MSMEs began to perceive halal certification as an integral aspect of strengthening business identity and market credibility. This shift aligns with the findings of Wahyuni (2023) and Himmah (2024) who emphasize that the low level of halal literacy and the prevalence of misconceptions are major barriers preventing small business actors from engaging in the certification process.

The direct and participatory communication model applied in this program proved effective in bridging the literacy gap. According to Muarif et al. (2023), an interactive approach using simple communication tools such as brochures and discussions allows MSMEs to more easily understand procedural and conceptual aspects of halal certification. This aligns with observations in Sempajaya, where direct mentoring succeeded in reducing resistance and stimulating curiosity among business owners about the benefits of halal labeling.

Furthermore, the transformation of MSME behavior indicates that awareness campaigns alone are insufficient without structured educational intervention. The field implementation confirms, Saragih (2024) argument that increasing halal literacy and continued socialization not only enhances knowledge but also shapes motivation and self-efficacy among small business actors. Through these interventions, MSMEs in Sempajaya began to regard halal certification as not merely a religious obligation but as a strategic business value that enhances trust, competitiveness, and long-term sustainability. In this context, the findings of the study reaffirm that a community-based empowerment model combining knowledge transfer, mentorship, and participatory education can be a key instrument in promoting halal awareness and accelerating certification adoption among grassroots entrepreneurs.

Administrative and Legal Readiness of MSMEs

The findings from mentoring activities in Sempajaya Village show that administrative readiness remains a major obstacle for MSMEs in obtaining halal certification. Many business owners had not yet obtained a Business Identification Number (NIB) or a Taxpayer Identification Number (NPWP), reflecting low administrative literacy in rural micro and small enterprises. According to Putri (2025), both NIB and NPWP serve as key identifiers linking MSMEs to formal recognition, taxation, and access to government programs, while Marpaung (2022), emphasizes that legal documentation provides legitimacy and credibility within formal economic networks. The existence of these documents also aligns with Law No. 11 of 2020 on Job Creation and Government Regulation No. 5 of 2021, which mandate NIB as a prerequisite for accessing state-supported programs, including halal certification (Madelene et al., 2022).

Mentoring assistance in document preparation, OSS platform account creation, and data entry into the Directorate General of Taxes system proved effective in overcoming literacy and technological challenges. By the end of the program, several MSMEs successfully obtained their NIB and NPWP, allowing them to continue the halal certification process. Beyond fulfilling administrative requirements, the process increased awareness among business actors about the importance of legality as a foundation for professional and sustainable business practice, strengthening both their capacity and readiness to operate within the formal halal economy. This enhancement contributes to SDG 8 (Decent Work and Economic Growth) by enabling access to formal markets and sustainable business opportunities, and to SDG 9 (Industry, Innovation, and Infrastructure) by fostering adoption of digital systems and technological capacity-building.

Digital Transformation through the SiHalal Platform

The transition to digital-based halal certification is one of the most significant changes in the implementation of the self-declaration scheme. In Sempajaya Village, the creation of a SiHalal account marks a crucial step in linking MSMEs' administrative readiness with the national halal certification system. The SiHalal platform, developed by the Halal Product Assurance Agency (BPJPH), is designed to simplify registration and verification procedures through an integrated digital system. This innovation reflects the government's commitment to supporting micro and

small businesses in meeting halal requirements through an accessible and transparent mechanism.

According to Khanifa, dkk (2022), SiHalal serves as the primary gateway to the national halal certification system and is an implementation of Government Regulation No. 39 of 2021, which mandates BPJPH to provide electronic-based halal certification services. However, despite its convenience, many MSMEs still struggle to operate on digital platforms due to limited literacy, experience with online systems, and difficulties understanding document formats and data input procedures.

The findings in Sempajaya corroborate those of Nasrulloh and Santi (2025) who highlighted that MSMEs often experience obstacles in the self-registration process due to technical and understanding issues. Many business actors face challenges at the document completion stage, particularly regarding raw materials and SJPH, which is often the most difficult part because it requires precision and adherence to the format established by BPJPH. To address these challenges, a collaborative mentoring model was implemented involving students, the North Sumatra BPJPH Task Force, and university supervisors. Students acted as digital literacy facilitators, assisting MSMEs at every stage from account creation and data entry, through document uploading, to final verification. The presence of BPJPH representatives ensured the process met national standards, while the involvement of educators provided pedagogical guidance tailored to the MSMEs' capacity levels.

This collaborative digital mentoring has proven highly effective in bridging the technology gap. MSMEs that previously found the digital process intimidating now feel more confident navigating the online system and understanding the procedural logic behind SiHalal. As a result, the program not only advances the certification process but also enhances the digital skills of MSMEs, in line with the broader goal of building technological inclusivity in Indonesia's halal economy.

Certification Process and Technical Mentoring

The halal certification application process represents the culmination of all preparatory stages undertaken by MSMEs in Sempajaya Village. After fulfilling administrative and digital requirements, business actors proceeded to submit certification applications through the *SiHalal* system. This process involves multiple layers of verification, including administrative screening, on-site inspection, and the issuance of halal certification by BPJPH after receiving the final fatwa from the Indonesian Ulema Council (MUI). According to the Lembaga Pemeriksa Halal Universitas Syiah Kuala (2023), the average duration of certification under the *Free Halal Certification (Sehati)* scheme is approximately 21 business days, contingent upon document completeness and coordination efficiency between involved institutions.

In practice, MSMEs in Sempajaya were accompanied throughout the process by both students and the Halal Product Process Facilitator (P3H). The facilitator's role was critical in ensuring the accuracy of submitted documents and the compliance of production procedures with national halal standards. The field audit conducted collaboratively between P3H, BPJPH representatives, and students included checking raw material origins, supplier halal certificates, separation of halal and non-halal materials, and sanitation of production facilities. This hands-on verification was essential to ensure that every aspect of the production chain aligned with halal requirements.

Beyond procedural compliance, this stage functioned as a transformative learning experience for MSMEs. Many business owners initially viewed the audit as intimidating, fearing the process would be complex and costly. However, through step-by-step guidance from the mentoring team and continuous reassurance by P3H, this anxiety gradually turned into enthusiasm. Business owners began to understand that the halal certification audit was not intended as a bureaucratic burden but as a means to enhance product integrity, quality assurance, and consumer confidence.

Furthermore, the certification process fostered a deeper awareness that halal certification goes beyond legal formality it symbolizes a business's moral commitment and professional integrity. MSMEs that successfully completed the process not only received formal recognition

from BPJPH but also strengthened their business identity through compliance with ethical and religious standards. In this sense, the halal certificate becomes both a quality standard mark and a moral credential, positioning MSMEs for long-term competitiveness within Indonesia's growing halal economy.

Challenges and MSME Behavioral Transformation

Despite the overall success of the halal certification mentoring program, MSMEs in Sempajaya Village continued to face multiple internal and external challenges throughout the process. These challenges reflect broader structural and behavioral issues experienced by small business actors across Indonesia. Internally, MSMEs often struggle with limited human resources, low financial capacity, and insufficient understanding of halal standards and documentation requirements. Many lacked even the most basic legal documents, such as the Business Identification Number (NIB) and Taxpayer Identification Number (NPWP), before participating in the program. According to (Putri, 2024), such deficiencies in administrative and regulatory literacy hinder MSMEs from accessing institutional support and formal certification schemes. Likewise (Khairawati et al., 2025), emphasize that low halal literacy, limited digital competence, and unfamiliarity with regulatory frameworks are persistent barriers that prevent MSMEs from fully engaging in halal certification initiatives.

From an external perspective, MSMEs encounter additional obstacles stemming from infrastructure limitations, technological constraints, and institutional fragmentation. Japar (2024), along with Susilo et al. (2024) identify four interrelated dimensions that constrain the implementation of halal certification: 1) inadequate infrastructure and the lack of competent supporting personnel; 2) limited technological capacity and low mastery of digital platforms; 3) insufficient regulatory understanding and communication gaps between institutions; and 4) weak interinstitutional coordination in supporting halal governance. These factors collectively create inefficiencies in the certification process, particularly in remote areas where internet access and administrative literacy remain limited.

Additionally, Irfany (2022) notes that MSMEs often perceive the certification process as overly bureaucratic, which discourages participation and delays application completion. The findings in Sempajaya are consistent with this observation, as many business owners initially hesitated to proceed due to concerns about procedural complexity and potential financial burdens (Dalman et al. 2024). Nonetheless, participatory mentoring, simplified communication, and hands-on guidance from facilitators successfully mitigated these fears. Furthermore, Darmalaksana & Ratnasih (2023), found that although the level of acceptance of halal certification policies among MSMEs is relatively high, their technical knowledge and access to information remain low. This aligns with field findings showing that digital-based systems such as *SiHalal* still pose difficulties for small business owners with limited internet access and technological skills. However, through mentoring, MSMEs in Sempajaya were able to overcome these barriers gradually, gaining confidence and developing a sense of ownership over the process.

The overall impact of these efforts extends beyond certification outcomes. MSMEs experienced a behavioral transformation from viewing halal certification as a bureaucratic formality to recognizing it as a strategic tool for competitiveness and brand trust. This shift reflects the effectiveness of educational and participatory approaches in shaping attitudes and building long-term commitment to ethical and sustainable business practices. In essence, mentoring not only improved procedural compliance but also instilled a deeper understanding that halal certification represents both moral integrity and business excellence.

Implications and Recommendations

The implementation of the halal certification mentoring program in Sempajaya Village provides several important implications for policy, practice, and academic development related to MSME empowerment and halal economic governance. Empirically, the program demonstrates that community-based participatory mentoring can effectively overcome administrative and behavioral barriers that have long hindered MSMEs from engaging in formal certification processes. This aligns with the findings of Wahyuni (2023) and Himmah (2024), who emphasize

that targeted socialization efforts are capable of transforming perceptions and increasing participation in halal initiatives among small business actors.

From a policy perspective, the results highlight the importance of strengthening coordination between central and local institutions such as BPJPH, KUA, and local governments to ensure the sustainability of halal certification assistance programs. According to Khairawati (2025) institutional synergy and consistent mentoring are essential to maintaining MSME engagement, especially in regions where digital literacy and administrative capacity remain limited. Furthermore, the program illustrates that simplified digital platforms such as *SiHalal*, when combined with localized mentoring, can serve as an effective instrument to enhance inclusivity and expand halal certification coverage across Indonesia Nasrulloh and Santi (2025).

Practically, this research underscores the need for continuous capacity building and follow-up programs for MSMEs that have not yet met the self-declare criteria—particularly those engaged in the processing of animal-based products, which require regular halal audits. In such cases, as highlighted by Halal Corridor (2025), processed meat products cannot utilize the *self-declare* certification mechanism because they involve complex production processes and ingredients with potentially uncertain halal status. Therefore, tailored guidance and hybrid certification models should be considered for businesses falling outside the self-declare category.

From an academic standpoint, the study contributes to the growing literature on halal literacy, MSME digital transformation, and behavioral economics in Islamic business contexts. The results support Saragih (2024), who found that increased halal awareness and educational interventions directly enhance MSME willingness to formalize their businesses. Moreover, the study reinforces the theoretical notion that behavioral change within small enterprises is driven not merely by regulatory enforcement but by internalized understanding and perceived value creation through certification.

Beyond empirical and theoretical implications, the outcomes of this program also reflect Indonesia's commitment to the United Nations Sustainable Development Goals (SDGs), particularly in fostering inclusive and sustainable economic growth. Through community empowerment and digital adaptation in the halal certification process, the program directly contributes to SDG 8 (Decent Work and Economic Growth) by encouraging formal business legality and strengthening MSMEs' capacity to compete. It also supports SDG 9 (Industry, Innovation, and Infrastructure) by enhancing digital literacy and integration with government platforms such as OSS and SiHalal, as well as SDG 12 (Responsible Consumption and Production) by promoting ethical, safe, and halal-compliant production practices. Moreover, the collaborative implementation between educational institutions, BPJPH, village authorities, and business actors embodies SDG 17 (Partnerships for the Goals), demonstrating how multi-stakeholder cooperation can accelerate halal ecosystem development at the grassroots level and strengthen local economic resilience.

CONCLUSIONS

The implementation of the halal certification empowerment program in Sempajaya Village effectively strengthened MSME business identity by integrating administrative facilitation, digital mentoring, and awareness building. The program succeeded in increasing MSME compliance with legality requirements (NIB and NPWP) and enhancing understanding of halal certification procedures. Beyond administrative outcomes, the mentoring process fostered a behavioral transformation where business owners both Muslim and non-Muslim recognized halal certification as a professional standard and an instrument of product quality assurance. However, several challenges emerged during implementation, particularly related to limited digital literacy, incomplete administrative readiness, and the inability of MSMEs engaged in animal-based product processing to qualify for the self-declare scheme due to regulatory restrictions (Halal Corridor, 2025). These constraints slowed down the certification process and highlighted the need for continued guidance, simplified procedures, and adaptive solutions tailored to MSMEs' diverse capacities.

Despite these obstacles, the collaborative approach among students, BPJPH representatives, and local stakeholders proved effective in bridging literacy and digital gaps while fostering inclusivity within the community. This initiative demonstrates that community-based

participatory mentoring, when supported by digital tools such as SiHalal, can accelerate halal certification adoption and promote sustainable local entrepreneurship.

In alignment with the principles of the Sustainable Development Goals (SDGs), this program contributes to advancing inclusive economic growth, promoting innovation in business governance, and ensuring responsible production practices through halal assurance. Future programs should focus on extending assistance to MSMEs that fall outside the self-declare category, developing alternative certification pathways, and strengthening institutional coordination to ensure the sustainability of halal empowerment initiatives. Overall, this program offers a practical, scalable framework for integrating halal literacy, digital transformation, and administrative readiness to enhance MSME competitiveness within Indonesia's halal economy while simultaneously supporting the broader global agenda of sustainable development.

ETHICAL CONSIDERATIONS

This community service program adhered to ethical standards in community engagement and data collection. All MSME participants provided informed consent before participation. No personal or sensitive data were disclosed without prior permission. The activities were conducted with respect for cultural and religious diversity in Sempajaya Village.

CONFLICT OF INTEREST

The authors declare no conflict of interest related to the implementation or reporting of this community service activity.

FUNDING

This program was self-funded by the student implementation team under the supervision of the Faculty of Islamic Economics and Business, Universitas Islam Negeri Sumatera Utara. No external financial support or grant was received from any institution or funding body.

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