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The Indonesian Government's Readiness to Develop the Halal Food Industry in the Metaverse Era

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Abstract

The halal food industry in its development in the metaverse era has great and promising growth in the future, especially for Indonesia as a country with the largest Muslim population in the world. This is a challenge for the Indonesian government in preparing the development of the halal food industry and making Indonesia the center of the world's halal industry. The research method used is empirical juridical with a qualitative approach. The results show that in preparing the development of the halal food industry, support from Bank Indonesia and the Government is required, in the form of regulations, especially in accommodating provisions and fatwas related to the halal food industry. Hence, it enters the legal hierarchy and has sufficient power in its implementation.

1. Introduction

The halal food industry has a big opportunity to encourage economic development in Indonesia. It is not impossible for Indonesia, as a country with a majority Muslim population, namely 87.2% of Indonesia's 268 million population, and contributing 13% of the Muslim population in the world, to develop the halal food industry and become the center of the global halal industry.¹ In the second quarter of 2021, the growth of the leading sectors of the halal industry, one of which is halal food, reached 8.2% or higher than the growth of the national Gross Domestic Product, which was 7.07%, even in 2021, halal food was ranked fourth as the leading sector of the halal industry, up from 2019

¹ Majelis Ulama Indonesia, Potensi Besar Industri Halal Global, avaliable from: https://www.halalmui.org/mui14/main/detail/potensi-besar-industri-halal-global-di-mana-posisi-indonesia, accessed on March 9, 2022.

when it was ranked fifth.² Furthermore, by the end of 2023, according to the Global Islamic Economy Report, the halal industry in the world in general will have reached a value of USD 1.8 trillion.³ In this regard, there is potential that must be utilized properly in developing the halal food industry. As stated by the National Committee for Sharia Economics and Finance (KNEKS), "apart from filling the huge domestic needs, it is also necessary to play a role in global halal product trade",⁴ this means that developing the halal food industry can revive the Indonesian economy.

The development of the halal industry in Indonesia has actually been supported by the government through the issuance of Law Number 33 of 2014 concerning Halal Product Guarantee (hereinafter referred to as the Halal Product Guarantee Law), however, after the issuance of this law, to date, there are still many actors businesses, especially in the halal food sector that, have not registered their food products to obtain halal certification. In this regard, in developing the halal food industry in Indonesia, efforts are needed to encourage the public, both as consumers and business actors, to increase awareness regarding the importance of halal certification, especially in halal food products. Moreover, currently, it has been supported by technological developments known as the metaverse era.⁵

The convenience offered in the metaverse world has attracted countries in the world, including Indonesia, to compete to prepare various sectors to welcome the metaverse era, including the halal food industry. The emergence of the metaverse era certainly provides even greater opportunities for the halal food industry, because with the metaverse, people get various benefits such as saving energy and time in processing halal certification and not having to visit factories or food places one by one to ensure halal, but simply using this metaverse service. On the other hand, in order to improve the halal food industry in Indonesia, there is also a need for support from a regulatory perspective that encourages the development of domestic sharia businesses. In this regard, it is a challenge for the government along with Bank Indonesia to develop a halal business development model so that the halal food industry in Indonesia can reach a global scope. Based on this, researchers want to research how prepared the Indonesian

² Industri Halal di Indonesia Terus Berkembang di Masa Pandemi, avaliable from: https://finansial.bisnis.com/read/20211008/231/1452180/industri-halal-di-indonesia-terusberkembang-di-masa-pandemi, accessed on March 9, 2022.

³ Oktoviana Banda Saputri, "Pemetaan Potensi Indonesia sebagai Pusat Industri Halal Dunia," *Jurnal Masharif al-syariah: Jurnal Ekonomi dan Perbankan Syariah* 5, no. 2 (2020): 25, https://doi.org/ttp://dx.doi.org/10.30651/jms.v5i2.5127.

⁴ Evita Farcha Kamila, "Peran Industri Halal dalam Mengdongkrak Pertumbuhan Ekonomi Indonesia di Era New Normal," *Jurnal Likuid* 1, no. 1 (2021): 35, https://journal.uinsgd.ac.id/index.php/likuid/article/view/12731/5598.

⁵ Metaverse is also defined as a world that almost enhances physical reality and space, which is a setting like the real and physical world that allows users to imagine many and myriad digital mirrors, both existing and non-existent, for various purposes. According to Stephenson in Liu, the term metaverse was first used in science fiction novels to describe immersive 3D. virtual environment, where the creation of a metaverse facilitated everyday human communication and interaction via the Internet. Look at Chinese Expert Group on the Iot-Aided Assessment and Management of Pulmonary Nodules. "Chinese Expert Consensus on Applying the Internet of Things as Assistive Technology for the Assessment and Management of Pulmonary Nodules". Int J Respir, Vol. 42 No. 1, 2022, h. 5-12. DOI: 10.3760/cma.j. cn131368-20211110-00835. Lihat juga pada Liu Z.H., "The Metaverse: An Advanced Form of Human Digital Existence," Fresh Reading 9 (2021): 78–79.

government is to welcome the halal food industry in this metaverse era, so that Indonesia occupies a global position.

The development of the halal food industry is currently attracting a lot of attention in various circles. In this regard, as a comparison material to show originality in this research, the researcher included several previous studies. First, previous research written by researcher Dyah Ochtorina Susanti, with the title "Halal Characteristics of Small and Medium Micro Business Products (MSMEs) in Patemon Villag Krenjengan Sub-District Probolinggo District" which discusses the halal characteristics of MSME products in Patemon Village Probolinggo, which is seen from the ingredients for making halal food products and the processing process. 6 Second, research conducted by Sitti Saleha Madjid with the title "Analysis of Opportunities, Challenges and Strategies for the Halal Industry in Indonesia (During the Covid-19 Pandemic", which discusses the opportunities for the halal industry in Indonesia after the Covid pandemic, with development in the field of Human Resources (HR), halal certification, building a halal ecosystem with stakeholders, to international cooperation regarding halal product guarantees.7 Third, research by Kholifatus Husna Asri and Amin Ilyas with the title "Strengthening the Halal Value Chain Ecosystem as Halal Industry Development Towards Era 5.0". The results of this research explain that the development of a halal ecosystem in the era of society requires strengthening in various sectors, starting from the provision of halal raw materials to the technology used and the readiness of stakeholders.8 Fourth, research carried out by Rahmawati, Husni Tamrin and Zulfadli Nugraha T. P., entitled "Overview of the Halal Industry in Global Trade". The results of this research show that the development of the halal industry does not only occur in Muslim countries, but also non-Muslim countries, where each country has special institutions and regulations to process halal certification.9 In connection with some of the research above, what differentiates this research is that this research focuses on the Indonesian government's readiness to develop the halal industry in the metaverse era as viewed from legal system theory, namely in terms of legal structure, legal substance and legal culture in Indonesian society.

2. Research Method

The research method used is an empirical juridical research method, namely to understand legal phenomena and their impact on society, with the aim of exploring the

⁶ Dyah Ochtorina Susanti, "Halal Characterustics of Small and Medium Micro Business Products (MSMEs) in Patemon Villag Krenjengan Sub-District Probolinggo District," *Journal Equity of Law and Governance* 1, no. 1 (2021): 17–24.

⁷ Sitti Saleha Madjid and Hurriah Ali Hasan, "Analisis Peluang, Tantangan dan Strategi Industri Halal di Indonesia (Pada Masa Pandemic Covid-19)," *JURNAL PILAR: Jurnal Kajian Islam Kontemporer* 13, no. 1 (June 2022): 30, https://journal.unismuh.ac.id/index.php/pilar/article/view/7734/4819.

⁸ Kholifatul Husna Asri and Amin Ilyas, "Penguatan Ekosistem Halal Value Chain sebagai Pengembangan Industri Halal Menuju Era 5.0," *ALIF* 1, no. 1 (June 15, 2022): 37–47, https://doi.org/10.37010/alif.v1i1.712.

⁹ Anis Najiha Ahmad et al., "Overview of the Halal Food Control System in Malaysia," *Food Control* 90 (August 2018): 352–63, https://doi.org/10.1016/j.foodcont.2018.02.035.

implementation of law and legal norms that interact with social reality.¹⁰ This method is used to examine the relationship between sharia economic legal rules and the place or environment being studied.¹¹ The approach used in this research is a qualitative approach, namely a research procedure that produces descriptive data in the form of written or spoken words from people or institutions and observable behavior, which is directed at the setting and the individual holistically.¹² The object of this research is the halal food industry which has currently experienced quite significant development, especially driven by the presence of technology called metaverse. In this regard, this research method is used to assess the Indonesian government's readiness to welcome the halal food industry by utilizing metaverse technology, so that it can have a positive impact in improving the economy in Indonesia.

3. Results and Discussion

3.1. Halal Food Industry in Indonesia

The halal food industry is a business that operates in the field of food that comes from halal food ingredients and is not contaminated with ingredients that are contrary to Islamic provisions, and is permitted for Muslim consumers. ¹³ *Halal food can also be interpreted as food that is permitted or halal according to Islamic law*. Other definitions of halal food were also put forward by several experts, including according to Marzuki, Hall and Ballentine, halal food is food that can be consumed without hesitation, and Muslims must comply with halal food standards and not use prohibited (*haram*) food ingredients. ¹⁴ Furthermore, Eliasi and Dwyer explained that in assessing whether a food is halal or haram, it can be seen through the entire series or process of making the food. In this regard, food will be haram if its source is also haram, processed in a prohibited way and has the potential to harm a person's soul, body and mind. ¹⁵

Furthermore, another opinion expressed by Riaz and Chaudry is that halal food is considered food that is specially selected and processed to obtain the highest quality standards. Although quality is often linked to price, it was found that people prioritize food quality more than price, and people are even willing to pay a higher price to ensure food quality. The 2019-2024 Sharia Economic Masterplan also states that the meaning of halal is interpreted broadly, not only is it permissible, but it is also healthy and

¹⁰ Abraham Ethan Martupa Sahat Marune, "Metamorfosis Metode Penelitian Hukum: Mengarungi Eksplorasi yang Dinamis," *Civilia: Jurnal Kajian Hukum dan Pendidikan Kewarganegaraan* 2, no. 4 (2023): 76, https://doi.org/10.572349/civilia.v2i4.896.

¹¹ Dyah Ochtirina Susanti, *Pelaksanaan Perjanjian Pembiayaan Murabahah dengan Skema Bai'u Salam Ditinjau dari Sudut Pandang Hukum Islam*, Tesis (Malang: Fakultas Hukum Universitas Brawijaya, n.d.), 74.

¹² Zuchri Abdussamad, Metode Penelitian Kualitatif (Makassar: Syakir Media Press, 2021), 30.

¹³ Mala Nurilmala et al., "Fish Skin as A Biomaterial for Halal Collagen and Gelatin," *Saudi Journal of Biological Sciences* 29, no. 2 (2022): 1100–1110, https://doi.org/10.1016/j.sjbs.2021.09.056.

¹⁴ Sharifah Zannierah Syed Marzuki, "Understanding Restaurant Managers' Expectations of Halal Certification in Malaysia" (Degree of Doctoral of Philosophy of Commerce, Selandia Baru, University of Canterbury, 2012).

¹⁵ J. R. and Dwyer J.T., "Kosher and Halal: Religious Observances Affecting Dietary Intakes," *Journal of the American Dietic Association* 102, no. 7 (2022).

¹⁶ Riaz M.N. and Chaudry M.M., Halal Food Production (Boca Rotan: CRC Press, 2004).

therefore suitable for consumption.¹⁷ Halal food for Muslim consumers is a product that has gone through a halal certification process which is marked by the inclusion of a halal label on the packaging. The inclusion of the halal label on the packaging indicates that the product has met the requirements set by sharia law and is therefore suitable for consumption. Meanwhile, for non-Muslim consumers, the halal logo represents a symbol of cleanliness, purity, quality and safety of a food product.¹⁸

Based on several opinions above, in the context of halal food, cleanliness is also a determining factor of halalness which aims to ensure that food is produced safely, hygienic and not harmful to human health. Hygienic food can be defined as food that is free from unclean, prohibited ingredients (*haram*) or contaminated with dangerous germs.¹⁹ This shows that the halalness of food is an important factor, especially in the practice of maintaining personal hygiene and the things around you to prevent disease. In this regard, halal food is not only limited to Muslim consumers, but can also be consumed by non-Muslim consumers, because halal food is produced by methods that comply with high production and safety standards for consumers in general.²⁰ Safe food is one that does not harm consumers because it is prepared and/or eaten or is suitable for its intended use.²¹

Referring to the explanation above, it can be understood that halal food products are no longer seen solely as a religious requirement for the Muslim community, but non-Muslims also have the same assessment in choosing food. This assessment is based on the perception that halal food is much better, cleaner and more hygienic.²² In line with the hadith of Rasulullah (Prophet Muhammad SAW) which discusses the concept of halal, that all forms of (halal) food may be consumed by humans regardless of race, skin color and nationality.²³ Furthermore, there is also a hadith of the Prophet narrated by Abu Ya'la Syahddad bin Aus, which teaches humans how to slaughter animals perfectly so that they are halal to eat.²⁴ This means that halal food is guaranteed, starting from the ingredients used to the food processing process.

¹⁷ Kamila, "Peran Industri Halal dalam Mengdongkrak Pertumbuhan Ekonomi Indonesia di Era New Normal," 38.

¹⁸ Ibid.

¹⁹ Abdul Raufu Ambali and Ahmad Naqiyuddin Bakar, "People's Awareness on Halal Foods and Products: Potential Issues for Policy-Makers," *Procedia - Social and Behavioral Sciences* 121 (March 2014): 6, https://doi.org/10.1016/j.sbspro.2014.01.1104.

²⁰ Anat Denyingyhot et al., "A New Tool For Quality Control to Monitor Contamination of Six Non-Halal Meats in Food Industry by Multiplex High-Resolution Melting Analysis (HRMA)" 25 (2021): 31–40, https://doi.org/10.1016/j.nfs.2021.09.002.

²¹ Ambali and Bakar, "People's Awareness on Halal Foods and Products," 6.

²² Abderahman Rejeb et al., "Integrating the Internet of Things in the Halal Food Supply Chain: A Systematic Literature Review and Research Agenda," *Internet of Things* 13 (March 2021): 100361, https://doi.org/10.1016/j.iot.2021.100361.

²³ Abdul Raufu Ambali and Ahmad Nagiyuddin Bakar, 4

²⁴ Ibid. Translation of Hadith: "Halal is clear and Haram is clear: between the two there are definitely things that are suspect (Shubha). Many people may not know whether these items are halal or haram. Whoever abandons it, he is not guilty of religion and conscience. Therefore, he was safe. Whoever engages in any of these suspect items, he may fall into violation of laws and prohibitions. This case is similar to a person who wants to raise an animal next to a prohibited area, he may enter it. Indeed, for each owner there is a limited area. Indeed, Allah's prohibitions are haram (Haram)." (Sahih Muslim, No: 2996).

Furthermore, the halal industry in its development shows quite significant numbers. According to Nutrigenomic Sukoso (Professor of Marine Biotechnology and Fisheries), the halal industry is not only of interest to countries with a majority Muslim population, but also by countries with a Muslim minority population worldwide.25 In Indonesia itself, government support in developing the halal industry, one of which can be seen through the issuance of halal food regulations as contained in Law Number 33 of 2014 concerning Halal Product Guarantees (hereinafter referred to as the Halal Product Guarantee Law) which was issued on 17 October 2014. Within five years after the Halal Product Guarantee Law has been passed, all products entering, circulating and being traded in Indonesian territory must be certified halal (except products which are prohibited by the obligation to include non-halal information on the packaging). If these provisions are not implemented, business actors may be subject to administrative sanctions and criminal sanctions. Other regulations relating to halal food include: Government Regulation no. 31 of 2019 concerning Implementing Regulations of Law no. 33 of 2014 calm Halal Product Guarantee, Government Regulation no. 39 of 2021 concerning Implementation of Product Guarantee Sector, Minister of Religion Regulation (KMA) No. 26 of 2019 concerning Implementation of Halal Product Guarantees, Decree of the Minister of Religion (KMA) No. 982 of 2019 concerning Halal Certification Services, and the Fatwa Decision of the Fatwa Commission of the Indonesian Ulema Council concerning the Determination of Halal Products dated 30 December 2009.

3.2. Indonesian Government's Readiness to Welcome the Halal Food Industry

The halal food industry is a promising form of halal industry to be developed, because halal food is a basic need for a Muslim.²⁶ Judging from Bank Indonesia data, it is noted that the potential for the halal food industry in 2023 has reached USD 1.8 trillion, in line with the increase in the Muslim population consuming halal food.²⁷ This is based on the world's Muslim population which reached 1.84 billion or around 24.2 percent of the total world population.²⁸ The large potential in developing the halal food industry can be used as a form of encouragement to improve the economy in Indonesia.

Furthermore, related to legal system theory in assessing the readiness of the Indonesian government to welcome the halal food industry, there are three benchmarks that can be used. As Lawrence M. Friedman's ideas regarding legal system theory in his book entitled American Law an Introduction, namely:²⁹

"A legal system in actual operation is a complex organisme in which structure, substance, and culture interact."

²⁵ Samsul Samsul, Supriadi Muslimin, and Wardah Jafar, "Peluang dan Tantangan Industri Halal Indonesia Menuju Pusat Industri Halal Dunia," *Al-Azhar Journal of Islamic Economics* 4, no. 1 (January 21, 2022): 13, https://doi.org/10.37146/ajie.v4i1.135.

²⁶ Muhammad Anwar Fathoni, "Potret Industri Halal Indonesia: Peluang dan Tantangan," *Jurnal Ilmiah Ekonomi Islam* 6, no. 3 (October 23, 2020): 431, https://doi.org/10.29040/jiei.v6i3.1146.

²⁷ Saputri, "Pemetaan Potensi Indonesia sebagai Pusat Industri Halal Dunia," 31.

²⁸ Ibid.

²⁹ Lawrence M. Friedman, *The Legal System A Social Sience Prespective* (New York: Russell Sage Foundation, 1975), 6.

This theory states that law consists of three elements, namely: legal structure, legal substance, and legal culture.³⁰ These three elements are part of the legal system. In this regard, in assessing the readiness of the Indonesian government in developing the halal food industry, it can be seen from these three elements, namely from the perspective of fair law enforcement officials and the availability of legal facilities and infrastructure (legal structure), valid and comprehensive legal regulations (legal substance), and public awareness and compliance with the law (legal culture).³¹

First, in terms of legal structure. The legal structure is the legal institution that supports the upholding of the legal system, in this case relating to the legal order, legal institutions, law enforcement officials and the authority that legal instruments have as well as the process and performance in carrying out law enforcement.³² In this regard, the development of the halal food industry certainly requires support from all parties. In this regard, one of the government's supports can be seen through the issuance of Law Number 33 of 2014 concerning Halal Product Guarantees and the establishment of the Halal Product Guarantee Organizing Agency (BPJPH) which is under the Ministry of Religion. Through the formation of BPJPH, a transformation in the implementation of halal product guarantees, which was previously voluntary, became mandatory.³³ This aims to provide a guarantee of safety and comfort for Muslim consumers in consuming halal food. On the other hand, not only the role and support of the government but also the role of the sharia financial industry such as Bank Indonesia is needed to support access to capital for Micro, Small and Medium Enterprises (MSMEs) operating in the halal food sector.³⁴

Currently the government has also prepared a stimulus and relaxation program, including for the halal industry. This is also supported by Bank Indonesia as stated by Perry Warjiyo (Governor of Bank Indonesia), who provides 5C (five C) main steps to encourage the halal industry in Indonesia, namely competitiveness, certification, coordination, campaign, and cooperation. These five things are used as the main keys to making Indonesia not only a market but also a production base for the global halal industry. Furthermore, firstly, what is meant by competitiveness here means that it can be done through mapping potential halal industrial sectors that can be developed, one of which is halal food. Second, certification in this case expands market access, therefore policy makers and industry players need to encourage the goods produced to obtain halal certification. Third, coordination and synergy between government policies and programs, Bank Indonesia, and related industries to make the Sharia economy a source of economic growth. Fourth, publications or promotions to introduce and develop the halal food industry which is universal, not only for Muslims but also non-Muslims. Fifth,

³⁰ Farida Sekti Pahlevi, "Pemberantasan Korupsi di Indonesia: Perspektif Legal System Lawrence M. Freidman," *Jurnal El-Dusturie* 1, no. 1 (2022): 31, https://doi.org/10.21154/eldusturie.v1i1.4097.

³¹ Siti Erlania Fitrianingsih, "Legalitas Hukum Ekonomi Syariah Prespektif Teori Negara Hukum Di Indonesia," *Al-Musthofa: Journal Of Sharia Economics* 5, no. 2 (2022): 29.

³² Pahlevi, "Pemberantasan Korupsi di Indonesia: Perspektif Legal System Lawrence M. Freidman," 32.

³³ Fathoni, "Potret Industri Halal Indonesia," 431.

³⁴ Ibid

³⁵ Kamila, "Peran Industri Halal dalam Mengdongkrak Pertumbuhan Ekonomi Indonesia di Era New Normal," 39.

there is cooperation between stakeholders in the halal industry in the national and international scope, which is a prerequisite for being able to build and develop the halal industry globally.³⁶

Second, from the legal substance side. Legal substance is the totality of legal rules, both written and unwritten. This also includes legal principles and norms as well as court decisions that can be relied upon by society and the government produced by the legal system.³⁷ Support for the development of the halal industry is also needed in the form of regulations governing the halal food industry. Basically, halal products must comply with and follow sharia law, including the logistics process (from manufacturing materials to product distribution), therefore there is a need to apply sharia principles throughout the chain. ³⁸ Currently, the rules regarding halal food have been accommodated in statutory regulations, namely in Law Number 3 of 2014 concerning Halal Product Guarantees and its implementing regulations.

In general, the Halal Product Guarantee Law includes provisions related to halal products and procedures for halal certification, however new matters relating to the halal industry after the issuance of this law are only accommodated in the form of Fatwa of the Indonesian Ulema Council (MUI).³⁹ Some of these fatwas are: MUI Fatwa No. 10 of 2018 concerning Food and Drinks Containing Alcohol; MUI Fatwa No. 40 of 2018 concerning the Use of Alcohol for Medicinal Substances; MUI Fatwa No. 45 of 2018 concerning the Use of Blood Plasma for Medicinal Ingredients; MUI Fatwa No. 44 of 2020 concerning the Use of Names, Shapes and Packaging of Products that Cannot Be Certified Halal; MUI Fatwa No. 4 of 2021 concerning the Use of Synthetic Human Genes and Recombinant DNA for Making Medicines and Vaccines; MUI Fatwa No.19 of 2021 concerning Honey Extraction Law; and MUI Fatwa No. 35 of 2021 concerning Standard Laws for Animal Slaughter Using Machines.

Referring also to the theory of levels of norms put forward by Hans Kelsen, law is considered valid if it is formed by institutions or authorities that have authority and are sourced and based on higher norms. ⁴⁰ The Indonesian Ulema Council (MUI) as the institution that issues the fatwa is an organization of Indonesian ulama that has the task and function of empowering the community or Muslim community. ⁴¹ MUI as an

³⁶ Jeni Kamase and Ackriansyah Achmad Gani, "Peran Industri Halal dalam Mendokrak Ekonomi Pada Era New Normal," *SEIKO: Journal of Management & Business* 4, no. 3 (2022): 611, https://doi.org/2598-831X, 2598-8301.

³⁷ Pahlevi, "Pemberantasan Korupsi di Indonesia: Perspektif Legal System Lawrence M. Freidman," 32.

³⁸ Faqiatul Mariya Waharini and Anissa Hakim Purwantini, "Model Pengembangan Industri Halal Food di Indonesia," *Muqtasid: Jurnal Ekonomi dan Perbankan Syariah* 9, no. 1 (June 26, 2018): 8, https://doi.org/10.18326/muqtasid.v9i1.1-13.

³⁹ Fatwa comes from the Arabic word al-ifta', al-fatwa which simply means giving a decision. A fatwa is an official answer to questions and issues involving legal matters. Look at Ahmad Badrut Tamam, "Kedudukan Fatwa Majelis Ulama Indonesia (MUI) dan Fatwa Dewan Syariah Nasional (DSN) Dalam Sistem Hukum Indonesia.," *Al-Musthofa: Journal Of Sharia Economics* 4, no. 2 (2021): 173.

⁴⁰ Afrinald Rizhan, "Konsep Hukum dan Ide Keadilan Berdasarkan Teori Hukum Statis (Nomostatics) Hans Kelsen," *Kodifikasi* 2, no. 1 (2020): 65.

⁴¹ Tamam, "Kedudukan Fatwa Majelis Ulama Indonesia (MUI) dan Fatwa Dewan Syariah Nasional (DSN) Dalam Sistem Hukum Indonesia.," 176.

organization in society is not a state-owned institution or represents the state. This shows that the MUI fatwa is not a state law that has sovereignty and binding power to be imposed on all people. The MUI fatwa also does not have sanctions that must be obeyed by all citizens so that the existence of the MUI fatwa is only binding and obeyed by the Muslim community who feel they have ties to it, meaning that the existence of the MUI fatwa cannot be forced to be obeyed by all Muslims, especially for all Indonesian people.⁴²

Likewise, referring to Article 7 and Article 8 of Law Number 12 of 2011 concerning the Formation of Legislative Regulations which states that regarding the hierarchy of legislation, fatwas are not part of statutory regulations. Formally legal fatwa has the same position as the doctrine of legal experts (legal opinion). Both are limited to assessing and providing recommendations on legal provisions and substance, the difference is that the legal subject that issues the fatwa is formed within an institution, namely the MUI.⁴³ A fatwa can have binding legal force if it has been accommodated in a statutory regulation at the level of the statutory hierarchy. This is a fatwa related to the halal industry which has been accommodated in the halal product guarantee law. Moreover, new fatwas issued by the MUI regarding halal food which are not yet included in statutory regulations do not have binding force on society as a whole.

In the context of the halal food industry, fatwas have an important role in answering current questions or problems regarding halal food. Especially in facing the metaverse era, of course there are many new things that are challenges in developing the halal food industry. The existence of a fatwa is something important not only as an answer to problems in the halal food industry, but also the binding power of the fatwa is needed, so that it can become a reference in the development of the halal food industry. In this regard, government support is needed to accommodate these fatwas, both in the form of statutory regulations, government regulations and regulations under Bank Indonesia which has authoritative authority so that their existence can be transformed into positive law. Based on this, it can actually be seen that legal substance and legal structure are real components in the legal system, both of which have a design role in law enforcement.

Third, from the perspective of legal culture. Legal culture is the behavioral values and opinions or ideas of community members in implementing the law. This is related to public awareness, understanding and acceptance of the implementation of the law. The legal culture that is part of the legal system requires that law is not only seen as rules on paper but can also be understood as a social reality that exists in society, meaning that law is greatly influenced by non-legal factors, such as values, attitudes and views of

⁴² Ibid.

⁴³ Muhamad Izazi Nurjaman and UIN Sunan Gunung Djati, "Eksistensi Kedudukan Fatwa DSN MUI Terhadap Keberlangsungan Operasional Bisnis di Lembaga Keuangan Syariah," *Al Iqtishod: Jurnal Pemikiran Dan Penelitian Ekonomi Islam* 9, no. 2 (2021): 63, https://doi.org/10.37812/aliqtishod.v9i2.245.

society towards applicable law.⁴⁴ In this regard, from a legal culture perspective, there are still many Indonesian people who do not understand the concept of halal.⁴⁵

Many people assume that all products circulating on the market are halal products without checking their halalness first.⁴⁶ As one example, the Holland Bakery bakery has long been established in Indonesia, but in fact only received a halal certificate in 2017.⁴⁷ Likewise with the Mixue ice cream shop, which since its first presence in Indonesia in 2020 has attracted the attention of many consumers from both Muslim and non-Muslim circles to buy this ice cream product. In fact, public awareness is still lacking in paying attention and checking its halal status first, where the Mixue ice cream shop only received a halal certificate in early 2023.

Lack of public understanding in understanding the importance of halal food, not only from the perspective of society as consumers, but also as business actors. Public awareness as business actors of the importance of halal certification is still minimal. Many business actors, especially in the halal food sector, still do not fully understand the procedures and standards required for halal certification.⁴⁸ Halal certification can be a weapon for business actors, especially for MSMEs, to rise and show their superiority in the international market.⁴⁹ Moreover, the government through the Halal Product Guarantee Agency (BPJPH) has provided easy registration for halal certification via online media for free. This convenience can also be implemented by utilizing metaverse technology, such as virtual reality (VR)-based halal certification registration services and providing halal information through metaverse features that are easily accessible to the public. This could be the first step to develop the Indonesian halal food industry so that it can exist globally.

4. Conclusion

The Indonesian government's readiness to develop the halal food industry in the metaverse era can be viewed from 3 (three) elements based on legal system theory, namely: *First*, in terms of legal structure, the government has established a special institution, namely the Halal Product Guarantee Organizing Body (BPJPH) to administer certification. halal and also supported by Bank Indonesia in providing access to capital for Micro, Small and Medium Enterprises (MSMEs) operating in the halal food sector. *Second*, in terms of legal substance, the government has issued regulations that support

⁴⁴ Pahlevi, "Pemberantasan Korupsi di Indonesia: Perspektif Legal System Lawrence M. Freidman," 33.

⁴⁵ Madjid and Hasan, "Analisis Peluang, Tantangan dan Strategi Industri Halal di Indonesia (Pada Masa Pandemic Covid-19)," 26.

⁴⁶ Ibid.

⁴⁷ Adistiar Prayoga, "Kesadaran Halal di Indonesia", August 16, 2018, avaliable from https://halal.unair.ac.id/blog/2018/08/16/kesadaran-halal-di-indonesia/, accessed on November 14, 2023.

⁴⁸ Herianti Herianti, Siradjuddin Siradjuddin, and Ahmad Efendi, "Industri Halal dari Perspektif Potensi dan Perkembangannya di Indonesia," *Indonesia Journal of Halal* 6, no. 2 (October 27, 2023): 57, https://doi.org/10.14710/halal.v6i2.19249.

⁴⁹ "UMKM Halal dan Ketahanan Ekonomi Indonesia," in *Insight Islamic Economic Bulletin*, 13th ed. (Jakarta: Komite Nasional Ekonomi Keuangan Syariah (KNEKS), 2021), 5, https://www.kneks.go.id/storage/upload/1641215363-Buletin%20Insight%20Edisi%2013%20Final.pdf.

the halal food industry, namely Law Number 3 of 2014 concerning Halal Product Guarantees and other regulations under it, but to strengthen the legal substance side, legal transformation is also needed. Islam in the form of fatwas into positive law in the form of statutory regulations and other regulations under authoritative institutions such as Bank Indonesia. *Third*, from a legal culture perspective, efforts are still needed to increase public and business awareness regarding the halal food industry. Apart from that, the government also needs to provide metaverse-based services to facilitate halal certification and checking halal food products to support the development of the halal food industry in Indonesia towards global market.

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