



Halal Status and Food Safety Required by Consumers: Addressing Often-Neglected Business Ethics

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Article Info	Abstract
Article history: Received March 10, 2026 Revised April 13, 2026 Accepted June 27, 2026 Available online August 15, 2026 *Corresponding author email: amaliefebrina2005@gmail.com Keywords: Business Ethics, Consumer Protection, Food Industry, Food Safety, Halalan Thayyiban.	Introduction/Main Objectives: This study examines whether consumers prioritize halal status or food safety, evaluates business ethics in the food industry, and identifies factors contributing to the neglect of consumer rights. Research Methods: A normative legal method with a qualitative approach was used through literature review of legislation, books, journals, and institutional reports. Data were analyzed using descriptive-critical and content analysis. Finding/Results: Halal status and food safety are complementary within the concept of <i>halalan thayyiban</i>. However, business ethics implementation is hindered by profit orientation, weak supervision, and limited awareness and literacy among business operators and consumers. Conclusion: Stronger collaboration among government, businesses, and consumers is needed to improve supervision, business ethics, public literacy, and consumer protection.
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INTRODUCTION

What is the purpose of the study? Why are you conducting the The global halal industry market has experienced massive growth in recent years; the global halal food market was valued at USD 3.30 trillion in 2025 and is projected to continue soaring, reaching USD 9.45 trillion by 2034 (Khatimah et al., 2025). As the country with the world's largest Muslim population, reaching 242 million people, or 87% of the total population, Indonesia holds a strategic position and represents a highly lucrative market for food producers, both local and international (Azzahra & Putri, 2025). To provide legal assurance for its citizens, Indonesia has taken a significant policy step by enacting Law Number 33 of 2014 concerning Halal Product Assurance (UU JPH), which shifts the halal certification paradigm from a voluntary basis to a mandatory requirement for all products entering, circulating, and being traded within the country (Priantina & Sopian, 2023). To accommodate the readiness of small businesses, the government has extended the deadline for mandatory halal certification for Micro and Small Enterprises (MSEs) under the "self-declare" category to October 2026, whereas for medium and large enterprises, the requirement remains strictly enforced starting October 2024 (Badan Penyelenggara Jaminan Produk Halal [BPJPH], 2024).

The growing public awareness regarding halal status and food safety has not yet been fully matched by business practices that uphold ethical values (Amarudin & Berliani, 2026). In practice, various forms of violations detrimental to consumers are still encountered, ranging from the falsification of halal labels and the use of raw materials inconsistent with product declarations to the inclusion of misleading information and the use of food additives exceeding safe limits (Aurelia et al., 2026). One case that has drawn public attention is the discovery of sodium dehydroacetate in Okko bread products in 2024 (BPJPH, 2024). Based on the findings, the manufacturer, PT Abadi Rasa Food (ARF), obtained halal certification via the Sihahal system on June 27, 2023, declaring the use of the preservative calcium propionate in accordance with the issued documentation. During the halal certification inspection, the auditor found no evidence of sodium dehydroacetate in either the raw materials or the production process. However, post-market surveillance revealed the presence of sodium dehydroacetate in the product.

In addition to the use of improper materials during the production process, unethical business practices are also reflected in the prevalence of Halal certificate forgery. One case uncovered in 2025 involved the discovery of a forged Halal certificate issued in the name of PT Cahaya Barokah Mandiri Grup in Balikpapan City, East Kalimantan (Lembaga Pengkajian Pangan, Obat-obatan, dan Kosmetika [LPPOM], 2025). Based on verification results from the LPPOM Halal Inspection Agency (LPH), the document bearing certificate number SH 03340054160723 was declared invalid because it was never issued by either LPPOM or the Halal Product Assurance Organizing Agency (BPJPH). The certificate is suspected to have been used by irresponsible parties to meet administrative requirements during a tender process, creating the impression that the business operator held an official halal certificate. Examination results indicate that neither the certificate number nor the business operator's data exists in the official systems of

BPJPH or the LPPOM LPH; furthermore, the issuance date does not align with the mechanisms in effect since the enactment of Law Number 33 of 2014 concerning Halal Product Assurance.

This phenomenon indicates that some business operators still prioritize economic profit over consumer rights (Sinaga et al., 2025). This situation poses a serious challenge to the business climate in Indonesia, as public trust in food products relies heavily on the integrity of business operators in providing accurate, honest, and accountable information (Handoko et al., 2024). Furthermore, consumer trust is built not only through obtaining halal certification or adhering to other food safety standards but also through the consistency of business operators in maintaining product quality and providing accurate, honest, complete, and accountable information to consumers. Thus, business ethics play a crucial role as the foundation for establishing fair relationships between business operators and consumers. Consequently, consumer protection should be understood not merely as a legal obligation, such as compliance with halal certification or food safety standards, but also as a manifestation of the moral responsibility of business operators to promote the public good.

Based on the foregoing, consumer protection relies not only on halal certification or the implementation of food safety standards but also necessitates the application of business ethics as a foundation for all business activities. Halal status and food safety are complementary aspects in safeguarding consumer rights; consequently, both must be realized through business practices that uphold honesty, transparency, and responsibility (Zubair, 2020). Accordingly, this study aims to analyze whether consumers prioritize halal assurance or food safety, examine business ethics practices within the food industry, and investigate the reasons why ethical considerations are frequently overlooked in the fulfillment of consumer rights. Furthermore, the study formulates strategies to strengthen consumer protection by integrating halal assurance, food safety, and business ethics, while offering recommendations for business operators and regulators to foster a food industry that is legally compliant and oriented toward the public interest.

METHOD

This study is a normative legal research project employing a qualitative approach and utilizing literature review as the data collection method. Secondary data were obtained from legislation, books, scholarly journals, and official reports from relevant institutions, such as BPJPH, BPOM, and LPH LPPOM. The study applies both the statute approach and the conceptual approach, subsequently analyzing the data through a descriptive-critical content analysis technique; this involves examining legal norms, business ethics principles, and practices regarding halal status and food safety from the perspective of consumer protection, with the aim of strengthening consumer rights in Indonesia.

RESULT AND DISCUSSION

Halal Status and Food Safety: Two Inseparable Needs

The halal status of a food product is not determined solely by its raw materials and the compliance of its slaughter or processing methods with Islamic Sharia regulations (Firdayani & Sholichah, 2023). In practice, food that meets halal standards can still pose health risks if its production, storage, distribution, or serving processes fail to adhere to food hygiene and sanitation principles. For instance, meat from a halal animal slaughtered in accordance with Islamic law can become contaminated with pathogenic bacteria, such as *Salmonella* or *Escherichia coli*, due to unhygienic handling. Such conditions mean that, although the food retains its halal status under Islamic law, it fails to meet the criterion of *tayyib* (wholesome/safe) because it poses a potential danger to consumers. From an Islamic perspective, maintaining health is integral to the objectives of Sharia (*maqasid al-sharia*), specifically regarding the preservation of life (*hifz al-nafs*). Consequently, the *halal* aspect complements, rather than replaces, the implementation of food safety standards, such as Good Manufacturing Practices (GMP), production environment sanitation, and hazard control via the Hazard Analysis and Critical Control Points (HACCP) system. Thus, *halal* certification should go hand-in-hand with food safety assurance to ensure that consumed products truly benefit the community.

On the other hand, food products that are safe according to health standards do not necessarily hold halal status. Food safety assessments focus solely on biological, chemical, and physical aspects affecting health, without considering whether ingredients or production processes comply with Sharia law (Yulianti et al., 2022). For instance, products containing porcine gelatin, alcohol additives, or enzymes derived from animals not slaughtered in accordance with Sharia may be deemed safe through laboratory testing, as they pose no health risk, yet remain *haram* (forbidden) under Islamic law. This demonstrates that food safety and halal status operate within different scopes, even though both aim to protect consumer interests.

The concept of *halalan thayyiban* asserts that halal status and food safety are inseparable aspects of achieving comprehensive consumer protection. An ideal food product is not only free from *haram* (forbidden) elements but is also produced hygienically, meets quality standards, is nutritious, and is safe for health. Therefore, implementing this concept requires synergy among halal certification, food safety systems, business ethics, and government oversight to create a high-quality, sustainable food industry oriented toward the public good.

The concept of *halalan thayyiban* demonstrates that halal status and food safety are complementary aspects in providing comprehensive protection for consumers. An ideal food product is not only free from *haram* (forbidden) elements but is also produced hygienically, meets quality standards, is nutritious, and is safe for health (Yanuardin, 2025). Therefore, implementing this concept requires synergy among halal certification, food safety systems, business ethics, and government oversight to produce goods that satisfy both the spiritual and health needs of consumers. Thus, *halalan thayyiban* serves not merely as a religious norm but

also as a paradigm for developing a high-quality, sustainable food industry oriented toward the public good.

Business Practices That Disregard Consumer Rights

In conducting business activities, business operators have an obligation to respect and protect consumer rights by providing safe and halal products, as well as accurate and transparent information (Monica et al., 2025). However, in practice, various forms of business ethics violations still occur, where consumer rights are disregarded in the pursuit of economic gain. Such actions not only conflict with principles of consumer protection but also violate business ethics and the principles of *halalan thayyiban* (permissible and wholesome). These unethical practices can erode public trust in the food industry and potentially cause harm, affecting both health and religious observance.

The falsification of halal labels constitutes a serious breach of business ethics because it deliberately provides false information to consumers (Putri et al., 2025). One example is the case of the legendary Ayam Goreng Widuran restaurant in Solo (Hukum Online, 2025). This eatery, established in 1973, has for years displayed a "halal" label without official certification from the Badan Penyelenggara Jaminan Produk Halal (BPJPH). It was recently revealed that one of the key ingredients used, cooking oil, was derived from pork, an ingredient considered *haram* (forbidden) in Islam. Consequently, Muslim consumers have been deprived of certainty regarding the halal status of the products they consumed. Beyond compromising business integrity, this practice also erodes public trust in the halal product assurance system.

Another frequently encountered practice is the use of hazardous additives in food. Cases identified by the Central Java Regional Food Safety Network (JKPD) team demonstrate the continued use of hazardous food additives, a practice that disregards consumer rights (Portal Informasi Warga Jateng, 2024). Inspections conducted at the Muntilan Market in Magelang Regency revealed food products, specifically "teri nasi" (small dried anchovies) that tested positive for formalin, as well as crackers containing textile dyes. While such practices might reduce production costs or increase a product's market value, they contravene food safety principles and violate the moral obligation of business operators to safeguard consumer safety. Furthermore, business practices that disregard consumer rights can also arise from exaggerated marketing claims or advertisements. The case regarding infant formula marketing highlighted by *Koran Jakarta* demonstrates that excessive promotional claims can undermine consumers' rights to accurate and accountable information (Koran Jakarta, 2023). According to reports citing research published in "The Lancet", a number of infant formula manufacturers claim their products can boost intelligence, help babies sleep longer, reduce fussiness, or address various infant health issues; however, most of these claims lack robust scientific evidence. In terms of business ethics, promotional activities should be grounded in principles of honesty, transparency, and responsibility, ensuring that consumers receive accurate information to make rational choices.

Consequently, these practices demonstrate that disregarding consumer rights not only results in economic losses and health risks but also erodes public trust in business operators and the consumer protection system. Therefore, the application of business ethics grounded in principles of honesty, responsibility, and transparency, as well as the values of *halalan thayyiban* (permissible and wholesome), is key to establishing a food industry characterized by integrity and a commitment to the common good.

Factors Contributing to the Neglect of Business Ethics in the Food Industry

The application of business ethics depends not only on business operators' compliance with regulations but is also influenced by various interconnected factors. The dynamics of business competition, the effectiveness of oversight systems, the level of awareness among business operators, and consumer understanding of their rights are crucial elements determining the extent to which ethical values are implemented in business practices. When one or more of these factors fail to function effectively, the likelihood of deviations regarding halal standards and food safety increases. Therefore, analyzing the factors that lead to the neglect of business ethics is essential for identifying the root causes and devising more effective corrective measures. One of the primary factors contributing to the neglect of business ethics in the food industry is the tendency of business operators to focus excessively on achieving short-term profits (Amalia et al., 2025). Increasingly intense market competition is driving companies to cut production costs in order to offer more competitive prices (Magister Manajemen Universitas 17 Agustus 1945 Surabaya, 2025). Under these circumstances, some business operators choose to take shortcuts by lowering raw material quality standards, disregarding sanitation procedures, or even using additives that fail to meet halal requirements or food safety standards. While such practices can yield quick profits, they risk harming consumers and eroding public trust in the products being marketed.

Moreover, excessive cost-cutting measures often come at the expense of critical aspects of the production process, such as facility hygiene maintenance, workforce training, and periodic product quality testing. Yet, investing in these areas is part of a company's ethical responsibility to ensure product safety and *halal* integrity. Consequently, a profit-driven approach unaccompanied by moral responsibility risks leading to business ethics violations and undermining consumer protection.

The disregard for business ethics is also driven by weak oversight systems, on the part of both the government and companies (Hamid et al., 2025). Limited resources, an insufficient number of inspectors, and the vast scope of the food industry hinder optimal monitoring of business compliance; consequently, violations concerning food safety, halal labeling, and production standards often go unpunished. Meanwhile, ineffective internal audit and control systems heighten the risk of misconduct, particularly when evaluations are merely administrative rather than independent and periodic. These circumstances demonstrate that effective oversight

requires not only government enforcement of regulations but also a corporate commitment to fostering a culture of compliance with business ethics.

Another factor contributing to the neglect of business ethics is the low level of moral awareness among business practitioners (Nurhalim, 2023). Some businesspeople still view business ethics as an additional burden that drives up operational costs, rather than as a long-term investment in maintaining consumer trust. This situation generally stems from a lack of education and understanding regarding business ethics principles, including corporate social responsibility, consumer protection, and the importance of sustainability in business operations. On the other hand, a business culture that focuses solely on achieving financial profit often incorporates values such as honesty, fairness, and responsibility. From an Islamic perspective, business activities aim not only to generate profit but also to foster the common good (*maslahah*) and prevent harm (*mafsadah*) to society. Therefore, raising ethical awareness among business practitioners through education and training is a crucial step toward establishing business practices characterized by integrity and sustainability.

Low levels of consumer literacy hinder the optimal application of business ethics in the food sector. Many consumers do not yet fully understand their rights, such as the right to accurate, clear, and honest information regarding product composition, production processes, halal status, safety, and nutritional value and thus tend to accept information from business operators without verification. This situation diminishes the role of public oversight regarding business practices and creates opportunities for ethical violations. Therefore, it is essential to continuously enhance education on consumer rights, the importance of selecting products that meet *halalan thayyiban* principles, and the ability to verify information and product certifications in order to foster a food business ecosystem that is more transparent, accountable, and ethical.

$$Y=\alpha+\beta X+\varepsilon$$

CONCLUSION

Based on the preceding discussion, it can be concluded that food halal status and food safety are complementary aspects in achieving optimal consumer protection through the concept of *halalan thayyiban*. Challenges such as the falsification of halal labels, the use of hazardous ingredients, and deceptive marketing practices demonstrate that consumer protection cannot rely solely on regulation; it also requires the application of business ethics grounded in honesty, transparency, and responsibility. Therefore, synergy is essential among the government, in strengthening oversight and law enforcement, business operators, in implementing ethical governance and consumers in enhancing their literacy regarding halal standards, food safety, and their rights, to foster a food industry characterized by integrity, sustainability, and a commitment to the public good.

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