


Determinants of Micro and Small Business Actors on the Motivation to Register for Free Halal Certification in Bondowoso Regency

Hairunnas Esa Mahendra¹, Misbahul Munir², Mahmudah³

Universitas Islam Negeri Kiai Haji Achmad Siddiq Jember, Indonesia^{1,2,3}

 eshamahendra5@gmail.com¹, mmunir67@gmail.com², mahmudahridlwan75@gmail.com³

Article History:	Abstract
<p>Submitted: January 17th, 2024</p> <p>Revised: February 19th, 2024</p> <p>Accepted: March 04th, 2024</p> <p>Published: May 18th, 2024</p> <p>By: International Journal of Islamic Economics (IJIE)</p> <p>Copyright: ©2024. Hairunnas Esa Mahendra</p>  <p>This article is licensed under the Creative Commons Attribution- Share Alike 4.0 International License http://creativecommons.org/licenses/by-sa/4.0/</p>	<p>Introduction: Government regulations on halal products, especially in the 2021 Job Creation Law, have been stipulated in the Halal Product Guarantee Law, this is an important factor for producers in the business sector related to halal products, especially since there is a free halal certification program.</p> <p>Objectives: The purpose of this study is to measure the motivation of micro and small business actors in Bondowoso Regency towards registering for free halal certification.</p> <p>Method: This study uses a quantitative approach with multiple linear regression analysis which aims to test the correlation of the variables of Government Regulation (X1), Halal Lifestyle (X2), Perceived Benefits of Halal Certification (X3), Business Competitiveness (X4), Product Safety and Hygiene (X5), to Motivation for Free Halal Certification Registration (Y1).</p> <p>Results: The results showed that government regulations, halal lifestyle, and product safety and hygiene had no significant partial effect on the motivation to register for free halal certification. Meanwhile, the perceived benefits of halal certification and business competitiveness have a partially significant effect on the motivation to register for free halal certification. However, these 5 variables simultaneously affect the motivation to register for free halal certification so it is worthy of being a construct of this study.</p> <p>Implications: The research will provide an overview of the relevant approaches that must be taken to attract micro and small business actors to register for free halal certification.</p> <p>Keywords: Free Halal Certification; Government Regulation; Halal Lifestyle; Perceived Benefits of Halal Certification; Product Safety.</p>

A. Introduction

Indonesia contributes to the development of countries in implementing the Islamic economy commonly referred to as the State of Global Islamic Economy where Indonesia is ranked 4th after Malaysia, Saudi Arabia, and the United Arab Emirates. Indicators in the State of the Islamic Economy include halal food, Islamic finance, halal tourism or tourist attraction friendliness, Muslim clothing fashion, halal medicine and cosmetics, and halal media. However, Indonesia is ranked second after Malaysia in implementing halal-based food. This is inseparable from the support of the government and every halal stakeholder as well as

the enthusiasm of business actors in registering halal certification for each product, especially in the food and beverage sector.

Based on data from the Halal Product Guarantee Agency (BPJPH), data on business actors who register for halal certification are products that have been halal certified totaling 3.3 million while those that are still registering are 1,596,825 and those that are still in the process of submitting are 358,600 businesses. This shows that the awareness of business actors or producers engaged in the halal industry is still low to register their products to have halal certificates compared to the number of businesses totaling 64 million, only about 10% have halal awareness to register their products with BPJPH institutions.

The demand for halal products every year in Indonesia is always increasing, which is projected by the Minister of Industry to reach 281.6 billion dollars in 2025. The government continues to make policies regarding halal certification starting from the Halal Product Guarantee Act Number 33 of 2014 to ensure the availability of halal products. Then the government through the Omnibus Law or the Job Creation Law in 2021 has made a policy, one of which is free halal certification for micro businesses or what is known as the self-declaration policy. Manufacturers are expected to be able to register for halal certification without thinking about costs. In addition, submitting halal products can be done through an online network system through the web provided by BPJPH. So that applying for halal certification can be carried out effectively and efficiently by business actors. In addition, good halal management in the company will be able to give the company a better image and will benefit from attracting consumers to buy products (Masruroh & Mahendra, 2022).

The population of Indonesia, which is a Muslim society, is also a potential market for business actors, especially MSEs, to market halal products. The role of religious rules that require Muslims to consume halal food products certainly provides enthusiasm and encouragement for business actors to produce halal products. Current halal products do not rule out the possibility that people who are not Muslim also have loyalty to the consumption of halal products, because halal products have received legal certainty from the government. There are various populations from various backgrounds in Indonesia, as well as several tourists who come from abroad, many of whom come from Islam and other religions, halal certification can guarantee the halalness of products based on Islamic law issued by related institutions. The role of halal certification bodies is a very important factor in the halal certification process. The ease of various requirements and the ease of the halal certification process should be regulated and considered by the institution so that business actors do not find difficulties and complications in the submission process. This is solely a form of support for MSEs in Indonesia to develop their business in obtaining halal certificates because many small business actors do not yet have halal certificates.

This phenomenon becomes important when large businesses are ready to compete and have high competitiveness in providing halal products, so do not let MSEs in Indonesia, which are one of Indonesia's economic development, become less competitive with other businesses. BPJPH has opened one million free halal certification quotas for small businesses in 2023 (Indah, 2023). In accelerating halal certification for MSMEs, BPJPH has established an online system that can be used by business actors for halal application registration.

Several requirements tend to complicate business actors, one of which is the complexity of preparing halal application documents. There are also several obstacles felt by business actors in production facilities that must be clean and hygienic and can avoid dirt and unclean. Several Another obstacle in applying for halal is the lack of information on halal applications. The lack of Human Resources (HR) in the halal production management system is an important obstacle because HR is an asset that has the context to organize all production activities. The use of materials, for example, which must use materials that are doubtful of their halalness, must use halal-certified materials. This will automatically increase production costs in the process of making products. All these complexities and obstacles need to be discussed to find solutions to the problems and obstacles felt by small businesses in the halal application process.

The urgency of halal certification, in addition to creating competitiveness for producers, the community as Muslims is ordered to consume food that is halal according to Islamic law, nutritious according to health science, and is ordered to produce from halal businesses (Sopa, 2013). The government through the halal product guarantee law has established complete regulations regarding the procedures and procedures for applying for halal certification by producers to halal certification issuing institutions. In addition, the government has simplified the procedure for applying for halal certification and has reduced the cost of halal certification through the 2021 work copyright law.

The government in March 2020 has also reduced the cost of halal certification which has been detailed in the service rates of each business group starting from micro, medium, and large business groups. This has been adjusted by considering the financial capacity of the state and business actors against the services of halal certification bodies so that business actors can understand the cost of halal certification application services. The Job Creation Law through government regulation number 39 of 2021 also regulates the implementation of halal product guarantees. Micro-business actors can declare their businesses free of charge while still following the procedures set by the halal assurance agency. This proves that government regulations continue to try to encourage business actors to register for halal certification at no cost for micro-business actors to have enthusiasm without thinking about the cost of halal certification.

This is interesting to research about what things or factors must be owned by producers, especially for MSEs in East Java, especially in Bondowoso Regency. East Java Province has received the Indonesia Halal Industry Award from the Minister of Industry as the province that has the best support program for the acceleration and provision of halal products (Jatim, 2023). The number of Halal Certifications that have been issued in East Java in 2023 according to BPJPH is 228,303 which ranks 3rd most after West Java and Central Java. This is also done by the Bondowoso Regency government to support the halal certification acceleration program which is currently intensively socializing about self-declaration and also cooperating and collaborating with agencies such as the Office of Cooperatives, Industry and Trade (Diskoperindag), the Bondowoso Ministry of Religion, as well as with the Halal Examining Institute (LPH) UIN KHAS Jember, and others.

Bondowoso has superior products, namely Coffee and Tape, which are currently prioritized to obtain halal certification. Not only that, every business actor is spread across various regions or sub-districts and villages to understand halal products and register for halal certification so that in addition to meeting the demand for halal products, consumers can feel safe because producers have a good understanding of halal products. Based on data from the Bondowoso Cooperative, Industry and Trade Office, there are many business actors in the Bondowoso district with a total of 9,312 whose details will be explained in the population and sample in this study. However, free halal certification is only available for small businesses, especially food and beverages.

The Ministry of Religion (Kemenag) of Bondowoso Regency continues to support the halal certification program, especially the free halal certification program (sehati) by collaborating with several State Civil Apparatus (ASN) and private institutions such as the Religious Affairs Office (KUA) in each sub-district, extension workers or Halal Production Process (PPH) assistants, non-governmental organizations, Islamic boarding schools, and Madrasahs. In addition, the Head of the Bondowoso Ministry of Religion gives a target to each sub-district KUA of 50 business actors every day so that they can register for Free Halal Certification (SEHATI) and also gives a target to PPH instructors or assistants of 10 business actors every day (Admin, 2023).

According to data from the Head of the Bondowoso Ministry of Religion, until May 2023 71 business actors had obtained halal certificates from the Sehati program from 149 business actors with 230 products, while the rest were still waiting for the Fatwa Committee process (Safitri, 2023). Meanwhile, in September 2023, according to Ali Masyhur, the Head of the Ministry of Religion, the business actors who have registered for free halal certification in Bondowoso Regency amounted to 5,000 business actors. This shows a significant increase in the number of business actors that continues to grow in Bondowoso Regency which is inseparable from the role of business actors to register for halal certification and halal agencies or institutions that have provided facilities and facilities to register for halal certification. Halal certification for producers is vital in maintaining the halalness of the products that become the daily consumption and lifestyle of the community, therefore producers become the root and basis in creating halal products.

B. Literature Review

The history of halal certification regulation starts with Law Number 33 of 2014 (JPH Law) which regulates every halal product guarantee regulatory system. However, in reality, the regulations on halal assurance have undergone many changes so that the implementation of halal assurance is more effective and efficient for business actors. For almost 10 years there are still many business actors, especially for small industries that do not have halal certification, therefore in 2021, the Job Creation Law contained in Omnibus Law in Indonesia was created. Omnibus Law is designed to make it easier for business actors, especially small business actors, to obtain halal certification which can be done easily online with a companion halal production process (PPH) whose free costs are borne by the government or other stakeholder institutions (Efendi, et al, 2023). In addition, the halal

determination hearing which was initially determined by the MUI fatwa can then be carried out by the Fatwa Committee so that the process is faster in issuing the halal certification. Then there are more government regulations governing halal assurance, one of which is Government Regulation Number 39 of 2021 and Decree of the Minister of Religion Number 748 and 1360 of 2021 concerning product obligations that must be halal certified and materials that are excluded or do not have to be halal certified.

Indicators or approaches to government regulations regarding halal certification, especially for micro-business actors, have the following indicators (Kemenag, 2021):

1. Procedures for registering halal certification through regulations
2. Awareness of halal certification registration with guidance
3. Cost of halal certification
4. Halal certification socialization or halal certification assistance

Halal lifestyle is a form of a person's behavior in living a life that is carried out with Islamic law and does not deviate from these Islamic teachings and its practice is carried out by Islamic values that are dignified, have integrity, and are fair and halal (Hermawan Adinugraha et al., 2022). Lifestyle itself can be interpreted as the behavior that a person does in everyday life which when viewed from an economic perspective is a lifestyle in spending or consuming costs which in this case is money and how to allocate it (Jailani & Adinugraha, 2022). The halal lifestyle has become a global trend that is not only embraced by Muslim communities but also in non-Muslim majority countries also has great attention because halal can be accepted and get a positive response in the national and international arena. Every person to carries out a halal lifestyle has at least three signs, namely halal in the process of obtaining, halal for consumption, and halal in the use or benefits of these goods. These three indicators are very important for someone to apply either as a consumer or producer. For consumers, the way to get halal goods must be obtained from halal sustenance so that what is consumed can be halal and get great blessings and benefits. Likewise, for a producer, the lifestyle in creating products must be halal from capital, and production processes, to the distribution process to consumers to ensure halalness. The halal industry has now entered all lines of life, especially in the food and beverage sector that is consumed daily. The scope of the halal lifestyle has 7 sectors or indicators, namely halal food and beverages, halal medicine, halal cosmetics, halal tourism, halal finance, halal clothing, and halal media (Zaidah et al., 2022).

Some of the benefits of the indicators of the importance of halal certification to producers include legality and legal protection from the government, potential markets, national economic development, and high-quality, safe, and healthy products. In addition, halal certification will form business competitiveness for business actors. Competitiveness is a form of effort in the business world to show the strength and excellence of a business in providing products or services. Business competitiveness is a form of business strategy in every consistent business process and activity which can be explained as follows (Kenneth Allard, 2004):

1. Setting Goals, namely organizing and creating goals objectively on the business results to be achieved

2. Assessing the External Environment, assessing and forecasting any external environmental sensitivities related to the business.
3. Designing Alternative Courses, namely Designing and assessing each business action including alternatives to analyze potential risks and what might be obtained from these business actions
4. Selecting the Best Courses, i.e. choosing the best option to implement each plan.
5. Evaluating the Result, Evaluating every result of the business plan that has been carried out.

The effectiveness of halal certification for business actors in increasing competitiveness is as follows (Masruroh & Shahrin, 2022):

1. Market segmentation in Indonesia, where the majority of people are Muslims
2. High bargaining power on halal-certified products than products that do not have halal certificates
3. New market opportunities in the international world
4. Financial contribution and increase in profit through halal-labeled products.

In addition, halal certification also guarantees product hygiene which in this study has the same objectives in sanitary and phytosanitary licensing which includes the following indicators (Denise Prevost, 2010):

1. Level of Health Protection, To ensure that the state and business actors have a scientifically justified level of health protection, as well as environmental hygiene
2. Safe and Healthy Promotion, Harmonizing the introduction of safety, health, and environmental hygiene licensing to national and international standards.
3. Sanitary Equivalence, Recognizing the equivalence of health protection
4. Accounting the Pests and Diseases, To take into account environmental health especially the presence of pests or diseases
5. Institutional Consultations For Sanitary, Arrangements for the establishment of institutions to facilitate the implementation and consultation of product health
6. Obligations of Transparency, transparency obligations on each production factor at the level of product safety and hygiene.

Meanwhile, micro and small business actors in halal certification registration are influenced by motivational factors, namely (Faridah, 2019) :

1. Coercive Isomorphism Motivation

Coercive Isomorphism is a motivation that is influenced by the pressure of government regulations in the policy of enforcing mandatory halal certification on every product, especially food and beverage products, on October 19, 2024, all food products must be halal certified. Government agencies, especially BPJPH, play an important role in implementing certification and implementing halal regulations. In addition, imported and exported products must also include a halal label as a sign of product halalness. This will be a motivation for business actors because halal regulations are an obligation that must be fulfilled in marketing products both in the national and international sectors.

2. Normative Isomorphism Motivation

Normative Isomorphism is a form of motivation that applies to standard rules or norms in the industry that must have a halal certificate for each product. Business actors who have halal certificates will have a good business image and reputation in the eyes of consumers and the public. Consumers see the halal label as a safe, clean, and healthy product. The image of the company or business actor and the positive perception of consumers will attract more consumers to consume the product and continue to use the product significantly. This can be a motivation for business actors to obtain halal certification because every industry must have standard rules including having a halal label, besides that market demand is also increasing for halal products which must be utilized by business actors to register for halal certification.

3. Mimetic Isomorphism Motivation

Mimetic Isomorphism is the motivation of business actors to replicate the products or branding of other business actors. When other business actors already have a halal certificate, business actors who do not yet have a halal label will be motivated to register halal because of the many benefits of the halal label. The strategy of imitating other companies that have obtained halal certification is an attempt to achieve the same success in terms of branding and quality of products that are guaranteed halal. Halal certificates are a competitive strategy for business actors to survive and maintain the sustainability of businesses that have high competitiveness among companies.

C. Research Methodology

This study uses a quantitative research approach using direct data obtained from respondents by conducting a survey type of research (Asmaul Husna, 2017). Researchers used a questionnaire to find out the opinions perceptions and attitudes of respondents towards the research objectives that had been formulated, namely to determine the effect of government regulations, halal lifestyle, perceived benefits of halal certification, business competitiveness, and product safety and hygiene on the motivation to register for free halal certification both partially and simultaneously. The analysis used is multiple linear regression analysis (Mundir, 2013).

Determination of sampling techniques using purposive because free halal certification is only aimed at food and beverage products by small businesses that meet the requirements. The total population of business actors in Bondowoso in the food and beverage sector is 9,312, so the number of samples that can be taken using the Slovin formula is as follows:

$$n = \frac{N}{1 + Ne^2}$$

$$n = \frac{9.312}{1 + 9.312(0,10)^2} = 98,93$$

Then the minimum sample size in this study was 98.93 so it was rounded up to 100 respondents.

D. Results and Discussion

The Effect of Government Regulation on Motivation to Register for Free Halal Certification

Based on the hypothesis test in the t-test for the government regulation variable, it is known that the t-value of the government regulation variable is 0.239 at a significance level of 0.811. This shows that government regulation has no significant effect on the motivation to register for free halal certification for micro and small businesses in Bondowoso Regency. This is because the calculated t value is smaller than the t table value and the significance value is greater than 0.05.

The results of this study are in line with research by Emul Mulyana in previous studies which stated that there was no influence to encourage business actors to carry out halal certification through the factor of compliance with government regulations (Masruroh & Mahendra, 2022). In addition, the theoretical study has explained the obstacles that can make government regulations not a motivating factor for self-declaration, one of which is the problems faced in international trade in African, Caribbean, and Pacific countries that experience technical barriers regarding lack of knowledge and socialization.

Obstacles or problems of government regulation that do not influence the motivation to register for halal certification also occur in Malaysia which is handled by Jabatan Kemajuan Islam Malaysia (JAKIM) JAKIM has also not been able to solve the problems faced by the government regarding halal regulations (Siti Khadijah, 2016). The regulations issued by JAKIM are also still overlapping and inconsistent so they still require the assistance of the public as a complementary institution in handling halal certification (Putri et al., 2023). However, on the last note in the background of this research, Malaysia can become a country with the best implementation of halal regulations according to ISEF 2022, this is also inseparable from the struggle and efforts of the government to continue to provide the best service to business actors so that business actors can implement and register their products with halal certification bodies. This can also be a reference for the Indonesian government in developing regulations regarding halal certification.

The Effect of Halal Lifestyle on Motivation for Free Halal Certification Registration

Based on the hypothesis test in the t-test for the halal lifestyle variable, it is known that the t-value of the halal lifestyle variable is -1, 086 at a significance level of 0.280. This shows that a halal lifestyle has no significant effect on the motivation to register for free halal certification for micro and small businesses in Bondowoso Regency. This is because the calculated t value is smaller than the t table value and the significance value is greater than 0.05.

The results of this study are in line with research by Nikmatul Masruroh and Hairunnas Esa Mahendra who did not find any effect of religiosity and understanding of halal products which became the foundation of the respondents' halal lifestyle (Masruroh & Mahendra, 2022). In addition, it is in line with research by Fatmawati, who also found no influence from the level of religiosity and halal literacy on respondents' decisions to carry out halal certification. The development of the halal lifestyle of consumers and the increase in

market demand for halal products is important for business actors in conducting halal certification. However, the results of this study do not justify that the halal lifestyle of business actors is not always the motivation for halal registration. Business actors, especially those who are Muslim, can combine the interests of the world that come from the desire to survive and make a profit with the interests of the hereafter to become halal entrepreneurs. So the halal lifestyle for Islamic entrepreneurs can be interpreted as an integration between the desire to do business, Islamic principles, and ethics, and focuses on business sustainability that prioritizes social aspects and makes innovation and inclusive business in marketing halal products (Bella-Salsa et al., 2023).

The Effect of Perceived Benefits of Halal Certification on Motivation to Register for Free Halal Certification

Based on the hypothesis test in the t-test for the perceived benefits of the halal certification variable, it is known that the t-value of the perceived benefit variable is 2.486 at a significance level of 0.015. This shows that the perceived benefits of halal certification have a significant effect on the motivation to register for free halal certification for micro and small businesses in Bondowoso Regency. This is because the calculated t value is greater than the t table value and the significance value is less than 0.05.

This research is in line with research by Alfarizi in previous research which states that a good halal system by every business actor has a significant effect on business performance which can automatically increase sales turnover (Alfarizi, 2023). Every business actor who has halal certification will be more confident in marketing their products. Halal certification goes hand in hand with increasing consumer confidence in halal products so that it will maintain business sustainability for business actors (Bux et al., 2022). The development of the halal industry continues to receive significant encouragement because it can provide a good perception of product quality and economic confidence in consumers, besides that the market impetus and the bright future of the halal industry in various sectors make business actors emphasize more on meeting these market needs and demands .

Effect of Business Competitiveness on Motivation for Free Halal Certification Registration

Based on the hypothesis test in the t-test for the business competitiveness variable, it is known that the t-value of the competitiveness variable is 6.704 at a significance level of 0.000. This shows that business competitiveness has a significant effect on the motivation to register for free halal certification for micro and small businesses in Bondowoso Regency. This is because the calculated t value is greater than the t table value and the significance value is less than 0.05.

This research is in line with research by Fidyah which explains that business prospects or business development by producers affect halal certification registration (Hastuti, 2014). Halal certification can be an arrangement in forming a business strategy that will directly provide high competitiveness from other businesses. Market segmentation, especially in Indonesia, where the people are Muslim, will have a high bargaining power for halal products and can penetrate the international market (Masruroh & Shahrin, 2022). Halal certification has also become a contestation between markets and countries that will generate

competitiveness for every business actor to obtain halal certification. The ease and absence of costs in the self-declaration program is an opportunity that must be taken by business actors, especially small business actors, to compete with other businesses that already have halal certification because if the product still does not have a halal certificate, there is a potential risk of reducing the value and long-term consumer confidence in the halal status of the product.

Effect of Product Safety and Cleanliness on Motivation to Register for Free Halal Certification

Based on the hypothesis test in the t-test for the product safety and hygiene variable, it is known that the t-value of the safety and hygiene variable is 1.443 at a significance level of 0.152. This shows that safety and cleanliness have no significant effect on the motivation to register for free halal certification for micro and small businesses in Bondowoso Regency. This is because the t value is smaller than the t table value and the significance value is greater than 0.05.

The results of this study are in line with Fais's research which states that the lack of coordination between related parties between government agencies, halal institutions, and health institutions in guaranteeing halal products so that the halal industry in Indonesia is still slightly hampered (Istiqlal, 2023). The lack of halal supervision and protection of consumer rights in Indonesia is also still weak, therefore business actors still tend to make products that do not meet halal and hygiene standards. This is partly due to the system or regulation and limited government funds in conducting halal enforcement and supervision (Febriansyah et al., 2023).

The Effect of Government Regulation, Halal Lifestyle, Perceived Benefits of Halal Certification, Business Competitiveness, and Product Safety and Hygiene Simultaneously on Motivation to Register for Free Halal Certification.

Based on the hypothesis test in the f test for the simultaneous test of each independent variable, it is known that the calculated f value is 32.513 at a significance level of 0.000. This shows that government regulations, halal lifestyle, perceived benefits of halal certification, business competitiveness, and product safety and hygiene simultaneously have a significant effect on the motivation to register for free halal certification for micro and small businesses in Bondowoso Regency. This is because the calculated f value is greater than the f table value and the significance value is smaller than 0.05. In addition, the coefficient of determination shows that the contribution of the independent variable is 61.4%, which can be assumed to be strong enough to explain the effect on the motivation to register for free halal certification.

Based on the results of research and hypotheses regarding the motivation for registering free halal certification, it is inseparable from the role of the government in developing the halal industry in Indonesia through rules and regulations as well as halal obligations for business actors. However, this still does have several obstacles such as the lack of knowledge and understanding of business actors in the registration process (Aprilia & Priantina, 2022). In addition, the process of issuing halal certification also requires a relatively varied time depending on the complexity of the inspection of the production

process carried out by the halal institution. However, business actors who have obtained halal certification will have a big impact on business development because the halal trend has gone global and is more accepted by the public to attract consumer interest in consuming halal products. In addition, business actors can compete in the national and international arena because they already have halal certification to expand market share and compete with other businesses through improving product quality that is guaranteed halal and safety and hygiene. The development of the halal ecosystem in Indonesia is also supported through 4 pillars consisting of government regulatory support in accelerating halal certification in Indonesia, halal infrastructure in supporting the halal supply chain, human resources in fostering halal certification, and services that include capital financing and sharia funds, as well as programs to improve the economic welfare of the community through the halal industry sector.

Dominant factor test

Based on the test with the forward method in the correlation coefficient test, it is known that the correlation coefficient value on the perceived benefit variable is 0.639 and the correlation coefficient value on the competitiveness variable is 0.758. While the beta coefficient value that appears is only the perceived benefit and competitiveness variables, this is because the variables of government regulation, halal lifestyle, and product safety and hygiene have no significant effect. So it is known that the Beta Standardized Coefficients coefficient on the perceived benefit variable is 0.276 and the beta coefficient value on the competitiveness variable is 0.587. While the R Square coefficient value is 0.621 or 62.1%. In simple terms, to find out each contribution of the value of the independent variable to the dependent variable is to add up each coefficient of determination of each independent variable. However, to find each coefficient of determination is to calculate the product of the beta coefficient value and the correlation coefficient value of each variable. Then the dominant factor test in this study is formulated as follows:

$$R \text{ Square} = \text{Contribution X3 (perceived benefits)} + \text{Contribution X4 (competitiveness)}$$

$$a. \text{ Contribution X3} = \text{Correlation Coefficient X3} \times \text{Beta Coefficient X3}$$

$$= 0,639 \times 0,276$$

$$= 0,176364$$

$$b. \text{ Contribution X4} = \text{Correlation Coefficient X4} \times \text{Beta Coefficient X4}$$

$$= 0,758 \times 0,587$$

$$= 0,444946$$

So if the contribution value or contribution of the independent variables is summed up, it will be the coefficient of determination that affects the motivation to register for free halal certification, namely as follows:

$$R \text{ Square} = \text{Contribution X3 (perceived benefits)} + \text{Contribution X4 (competitiveness)}$$

$$0,621328 = 0,176364 + 0,444946$$

$$62,1\% = 17,63\% + 44,49\%$$

Based on the dominant factor test above, it can be seen that the contribution of the perceived benefit variable to the motivation to register for free halal certification is 17.63%

and the contribution of the business competitiveness variable to the motivation to register for free halal certification is 44.49%. So it can be seen that the business competitiveness variable is the most dominant or most influential factor in the motivation to register for free halal certification. This is because the contribution value of the competitiveness variable is greater than the contribution value of the perceived benefit variable.

Analysis of the type of small business actors on the desire or motivation and awareness of free halal certification is based on the author's experience when conducting the research process, namely when distributing research questionnaires. This analysis is also based on the statements of respondents who have answered the statements in the questionnaire. The author analyzes that there are at least 4 types of business actors in the desire for awareness of free halal certification registration, namely as follows:

1. Not know and not aware (do not know and do not have halal awareness)
2. Not know but aware (not knowing information but having halal awareness)
3. Know but not aware (knowing the information but not having halal awareness)
4. Know and aware (knowing information and having halal awareness)

E. Conclusion

1. Variable X1 government regulation has a t value of 0.239 and a significance level of 0.811. so that government regulation does not have a significant effect on the motivation to register for free halal certification.
2. Variable X2 halal lifestyle has a t value of -1.086 and a significance level of 0.280. so that a halal lifestyle has no significant effect on the motivation to register for free halal certification
3. Variable X3 perceived benefits of halal certification has a t value of 2.486 and a significance value of 0.015. This shows that the perceived benefits of halal certification have a significant effect on the motivation to register for free halal certification.
4. Variable X4 business competitiveness has a t value of 6.704 and a significance level of 0.000. So that business competitiveness has a significant effect on the motivation to register for free halal certification
5. Variable X5 product safety and hygiene has a t value of 1.443 and a significance value of 0.152. This shows that product safety and hygiene do not have a significant effect on the motivation to register for free halal certification.
6. Based on the f test, it is known that the calculated f value is 32.513 and the significance level is 0.000. So it can be concluded that each independent variable, namely the variables of government regulation, halal lifestyle, perceived benefits of halal certification, business competitiveness, and product safety and hygiene, simultaneously has a significant effect on the motivation to register for free halal certification.

F. Bibliography

- Admin. (2023). *Tingkatkan Komitmen Sertifikasi Produk Halal, Kemenag Bondowoso Targetkan Penyuluh Agama Islam 10 Pelaku Usaha Per-hari*.
<https://kemenagbondowoso.com/tingkatkan-komitmen-sertifikasi-produk-halal-kemenag-bondowoso-targetkan-penyuluh-agama-islam-10-pelaku-usaha-per-hari/>
- Alfarizi, M. (2023). Peran Sertifikasi Halal Dan Kepatuhan Praktik Halal Terhadap Kinerja Bisnis Berkelanjutan: Investigasi Pemodelan Empiris Sektor Umkm Kuliner Nusantara. *Harmoni*, 22(1), 93–116. <https://doi.org/10.32488/harmoni.v22i1.654>
- Allard, Kenneth. (2004). *Business as War: Battling for Competitive Advantage*. Canada: John Wiley & Sons Inc.
- Aprilia, S., & Priantina, A. (2022). Analisa Strategi Peningkatan Sertifikasi Halal Sektor Kuliner Di Bangka Selatan. *International Journal Mathla'ul Anwar of Halal Issues*, 2(1), 50–71. <https://doi.org/10.30653/ijma.202221.46>
- Bella-Salsa, A., Betania Kartika, Jaiyeoba, H. B., & Jamaludin, M. A. (2023). Halal Lifestyle Entrepreneurship: Concept, Practice, Prospects and Challenges. *Journal of Halal Science and Technology*, 2(2), 19–25. <https://doi.org/10.59202/jhst.v2i2.725>
- Bux, C., Varese, E., Amicarelli, V., & Lombardi, M. (2022). Halal Food Sustainability between Certification and Blockchain: A Review. *Sustainability*, 14(4), 2152. <https://doi.org/10.3390/su14042152>
- Febriansyah, O., F, F., & Rahman, A. (2023). Analisis Sanksi Hukum Terhadap Produk Minuman Yang Tidak Mencantumkan Logo Halal di Lhokseumawe Berdasarkan Qanun No. 8 Tahun 2016 (Studi kasus pada MPU Kota Lhokseumawe). *Socius: Jurnal Penelitian Ilmu-Ilmu Sosial*, 1(4). <https://doi.org/10.5281/zenodo.10113150>
- Fischer, Johan. (2011). *The Halal Frontier: Muslim Consumers in A Globalized Market*. New York: Palgrave Macmillan.
- Hastuti, Q. A. W. (2014). Urgensi manajemen zakat dan wakaf bagi peningkatan kesejahteraan masyarakat. *Ziswaf*, 1(2), 379–403.
- Hermawan Adinugraha, H., Rahmawati, F., Sartika, M., Isthika, W., & Wikan Kinasih, H. (2022). Halal Lifestyle Training For Ma Rohmaniyyah's Students: The Islamic Lifestyle Practice Of Today's Adolescent. *AMALA Jurnal Pengabdian Kepada Masyarakat*, 1(1), 56–64. <https://doi.org/10.23971/amala.v1i1.12>
- Indah. (2023). *Ada 1 Juta Kuota Sertifikasi Halal Gratis 2023, Ini Syarat dan Alur Daftarnya*. <https://kemenag.go.id/nasional/ada-1-juta-kuota-sertifikasi-halal-gratis-2023-ini-syarat-dan-alur-daftarnya-gm23w2>
- Istiqlal, F. (2023). Membangun Global Halal Hub Indonesia: Strategi dan Peluang untuk Mencapai Kompetitif di Pasar Global. *Halal Research Journal*, 3(2), 72–85. <https://doi.org/10.12962/j22759970.v3i2.614>
- Jailani, N., & Adinugraha, H. H. (2022). The Effect of Halal Lifestyle on Economic Growth in Indonesia. *Journal of Economics Research and Social Sciences*, 6(1), 44–53. <https://doi.org/10.18196/jerss.v6i1.13617>
- Jatim, D. K. (2023). *Pemprov Jatim Raih Penghargaan Indonesia Halal Industry Awards 2022 Kategori Best Province- Dinas Komunikasi dan Informatika Provinsi Jawa Timur*.

<https://kominfo.jatimprov.go.id/berita/pemprov-jatim-raih-penghargaan-indonesia-halal-industry-awards-2022-kategori-best-province>

- Khadijah, Siti dkk. (2016). *Contemporary Issues and Development in the Global Halal Industry*. Singapura: Springer.
- Masruroh, N., & Mahendra, M. K. E. (2022). The Relationship Of Religiosity, Producer's Knowledge, and Understanding Of Halal Products to Halal Certification. *EKONOMIKA SYARIAH : Journal of Economic Studies*, 6(2), 189.
<https://doi.org/10.30983/es.v6i2.5179>
- Masruroh, N., & Shahrin, A. A. (2022). Kontestasi Agama, Pasar dan Negara dalam Membangkitkan Daya Saing Ekonomi Umat melalui Sertifikasi Halal. *Proceedings of Annual Conference for Muslim Scholars*, 6(1), 834-853.
<https://doi.org/10.36835/ancoms.v6i1.430>
- Prevost, Denise. (2010). *Sanitary, Phitosanitary and Technical Barries to Trade in The Economic Partnership Agreements between the European Union and the ACP Countries*. Switzerland: ICTSD.
- Religiusitas, A., Analisis Religiusitas, Kesadaran Halal, Literasi Halal, dan Niat Berperilaku dalam Memprediksi Pelaku Umkm Melakukan Sertifikasi Halal Di Kabupaten Bangkalan: *Maro: Jurnal Ekonomi Syariah Dan Bisnis*, 6(1), 76-88.
<https://doi.org/10.31949/MARO.V6I1.3692>
- Safitri. (2023). Menuju Produk Halal 2024, Baru 230 Produk Mamin Urus Sertifikat Halal - *Radar Jember*. <https://radarjember.jawapos.com/bondowoso/791127665/menuju-produk-halal-2024-baru-230-produk-mamin-urus-sertifikat-halal>
- Sopa. (2013). *Sertifikasi Halal Majelis Ulama Indonesia Studi atas Fatwa Halal MUI terhadap Produk Makanan, Obat-obatan dan Kosmetika*. Jakarta: Gaung Persada Press Group.
- Zaidah, N., Solihin, M., & Muliadi, M. (2022). Halal Lifestyle dan Wara' Lifestyle (Studi Kasus Pusat Halal Salman ITB). *Jurnal Penelitian Ilmu Ushuluddin*, 2(3), 654-566.
<https://doi.org/10.15575/jpiu.14440>