

EMPOWERING MSMEs THROUGH HALAL-BASED MANAGEMENT AS A STRATEGY TO STRENGTHEN THE ECONOMY OF MARGINALIZED COMMUNITIES

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BACKGROUND: Micro, Small, and Medium Enterprises (MSMEs) are the backbone of Indonesia's economy. According to data from the Ministry of Cooperatives and SMEs, more than 99% of business units in Indonesia are MSMEs, employing over 90% of the national workforce. This contribution highlights the strategic role of MSMEs in economic development, income distribution, and employment creation. However, most MSMEs are still categorized as micro enterprises managed in a simple manner, generally by marginalized communities with limited access to capital, markets, technology, and managerial skills. This condition makes MSMEs vulnerable to market competition in terms of product quality and business sustainability. On the other hand, the growth of the global halal industry presents a significant opportunity to enhance the competitiveness of Indonesian MSMEs. The demand for halal products continues to rise, not only in the domestic market, where the majority of the population is Muslim, but also in international markets that increasingly emphasize halal standards, hygiene, and sustainability. This positions halal certification and the implementation of halal-based management as key factors in building consumer trust and expanding market access for MSMEs. Through the adoption of halal-based management, MSMEs are not only directed to meet the formal requirements of certification but also to internalize halal values across their entire business processes. This includes human resource management, operational production management, marketing strategies, and supply chain management.

METHOD: This study employs a qualitative approach with a case study method, focusing on an in-depth understanding of halal-based management practices in MSMEs run by marginalized communities. This approach was chosen to explore social phenomena, entrepreneurial experiences, and the dynamics of MSME empowerment in the context of the halal industry. The study involved 15 informants consisting of marginalized MSME actors, business mentors, and representatives of halal certification institutions. Data were collected through in-depth interviews, participatory observation, and document analysis. The data were analyzed using thematic analysis, which included data reduction, categorization, data presentation, and conclusion drawing.

RESULTS & DISCUSSION: The findings indicate that the implementation of halal-based management among marginalized MSMEs is still at an early stage. Most business actors have not fully understood halal standards, whether in terms of raw materials, production processes, or managerial recording. However, interventions through mentoring programs have proven to encourage positive changes. MSME actors have begun making simple adjustments, such as selecting halal raw materials, maintaining production hygiene, and adopting basic business record-keeping. In terms of empowerment, there is evidence of increased knowledge and awareness among MSME actors regarding the importance of halal certification as an instrument of competitiveness. Several MSMEs have taken initiatives to apply for certification, although they still face obstacles related to costs and administrative complexity. Furthermore, there has been significant progress in halal-based marketing capabilities, including product labeling and digital promotion, which has enhanced product attractiveness to consumers. The tangible impact of implementing halal-based management is reflected in the strengthening

of marginalized community economies. These findings reaffirm that halal-based management can serve as an effective strategy for MSME empowerment.

CONCLUSION: The study concludes that halal-based management is not merely a fulfillment of spiritual aspects but also a business strategy that enhances added value, business reputation, and access to both domestic and global halal markets. Strengthening the economy of marginalized communities can be achieved through sustainable and integrated MSME empowerment based on halal management principles.

KEYWORDS: MSMEs, Economic Empowerment, Halal Industry