



**ANALYSIS OF THE READINESS OF CULINARY MSME ACTORS IN
FACING MANDATORY HALAL CERTIFICATION 2026: A
PHENOMENOLOGICAL STUDY ON THE MINULYO PACITAN MARKET
TRADERS ASSOCIATION**

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Abstract

The Government of Indonesia set 17 October 2026 as the deadline for mandatory halal certification for food and beverage products produced by micro and small enterprises, as regulated in Law Number 33 of 2014 on Halal Product Assurance and Government Regulation Number 42 of 2024 on the Implementation of Halal Product Assurance. This policy presents challenges for micro and small culinary enterprises, including members of the Minulyo Market Traders Association in Pacitan Regency. This study aimed to explore the level of understanding, experiences, and perceived readiness of business actors in facing the mandatory halal certification policy. The research employed a qualitative approach with a phenomenological design. Data were collected through in-depth interviews, observation, and documentation involving government officers, association managers, and culinary business actors. Data analysis followed horizontalization, thematic clustering, and synthesis of essential meanings. The findings indicate that most business actors are aware of halal certification requirements, but their understanding remains largely normative and does not yet extend to technical procedures such as application processes, document requirements, and assistance mechanisms. Concerns regarding certification costs also persist despite the availability of the government's free halal certification program. Based on participants' perceptions, approximately eighty percent of business actors demonstrated cognitive readiness, whereas operational readiness remained limited due to insufficient knowledge of certification procedures and implementation mechanisms. These findings primarily reflect cognitive and



operational aspects of readiness and do not comprehensively assess other dimensions such as financial, technological, organizational, or behavioral readiness. As this study was conducted within a single traders' association in Pacitan Regency, the findings provide context-specific insights and should not be generalized to all Indonesian MSMEs. The study highlights the need for more intensive community-based assistance strategies to strengthen operational preparedness prior to the enforcement of mandatory halal certification.

Keywords: MSME Readiness, Halal Certification, Phenomenology, SEHATI Program

INTRODUCTION

The halal industry has developed into one of the strategic sectors in both the global and national economy as consumer awareness of the halal status of products continues to increase (Tiemann, 2021). Indonesia, as the country with the largest Muslim population in the world, plays an important role in developing a standardized halal product assurance system. The Government of Indonesia established the Halal Product Assurance policy through Law Number 33 of 2014, which was further strengthened by Government Regulation Number 42 of 2024 concerning the Implementation of Halal Product Assurance (Government of the Republic of Indonesia, 2024). These regulations require all food and beverage products marketed in Indonesia, including those produced by Micro and Small Enterprises (MSEs), to obtain halal certification by 17 October 2026 (BPJPH, 2025).

Mandatory halal certification is not merely an administrative requirement but also represents a strategic effort to strengthen consumer protection, improve product competitiveness, and support the development of the national halal ecosystem. Nevertheless, empirical studies consistently report that many MSMEs continue to experience difficulties in fulfilling halal certification requirements due to limited halal literacy, inadequate understanding of certification procedures, administrative complexity, and insufficient institutional support (Aziz, 2022; Huda, 2023; Wahab, 2023). Similar findings have also been reported in studies conducted in several regions of Indonesia, indicating that disparities in local capacity, access to information, and mentoring programs influence the readiness of business actors to comply with mandatory halal certification.

Although previous studies have identified various barriers to halal certification, most have focused primarily on policy implementation, administrative constraints, or institutional perspectives. Relatively limited



attention has been given to understanding how MSME actors themselves perceive and experience their readiness for mandatory halal certification, particularly within traditional market communities where business operations remain predominantly informal. Furthermore, evidence from smaller regencies is still limited, despite the possibility that local socioeconomic conditions, government support, and access to information may shape different levels of preparedness. This contextual and empirical gap provides the basis for the present study.

To accelerate the implementation of halal certification, the Halal Product Assurance Agency (BPJPH) introduced the Free Halal Certification Program (SEHATI), which enables eligible MSEs to obtain halal certification through a self-declare scheme accompanied by Halal Product Process Assistants (P3H) (Ministry of Religious Affairs of the Republic of Indonesia, 2023). The program has significantly expanded access to halal certification throughout Indonesia. However, several empirical studies indicate that the effectiveness of assistance programs varies across regions and is influenced by the quality of mentoring, the intensity of socialization, institutional coordination, and the capacity of business actors to understand certification procedures (Huda, 2023; Nurdin, 2024). These findings suggest that the availability of government programs alone does not necessarily ensure operational readiness among MSMEs.

The successful implementation of public policy depends not only on regulatory design but also on the understanding, acceptance, and readiness of its target groups (Rahman, 2021). In practice, discrepancies frequently emerge between policy formulation at the national level and policy implementation at the local level. Studies on halal certification implementation have shown that despite increasing government support, participation among MSMEs remains uneven across different regions because of variations in information dissemination, institutional assistance, and business capacity (Wahab, 2023). These findings highlight the importance of examining policy implementation within specific local contexts rather than assuming uniform readiness among MSMEs.

Pacitan Regency represents one such local context. Culinary MSMEs constitute an important component of the local economy, particularly those operating in Minulyo Market as one of the region's primary traditional trading centers. Most businesses are family-operated micro and small enterprises producing food and beverages that fall under the mandatory halal certification policy. Preliminary information obtained from the Office of the Ministry of Religious Affairs of Pacitan Regency indicates that awareness and participation in halal certification programs remain relatively limited compared with government expectations (BPJPH Pacitan, 2025). This condition reflects the



continuing gap between policy availability and policy utilization at the grassroots level.

The relatively low utilization of the SEHATI program in Pacitan suggests that the primary challenge extends beyond the availability of government facilities. It also involves the extent to which business actors understand the policy, perceive its importance, and prepare themselves to fulfill certification requirements. Investigating these issues at the community level is therefore essential to identify factors that influence the implementation of mandatory halal certification and to generate evidence for improving community-based assistance strategies.

Based on these considerations, this study explores the understanding, experiences, and readiness of culinary MSME actors within the Minulyo Market Traders Association in Pacitan Regency in facing the mandatory halal certification policy. Unlike previous studies that mainly emphasize administrative barriers or policy implementation from institutional perspectives, this research employs a phenomenological approach to examine the lived experiences and perceptions of business actors regarding their preparedness for mandatory halal certification. By focusing on a traditional market community, this study contributes contextual empirical evidence on grassroots readiness that may inform the development of more effective and locally responsive assistance strategies prior to the 2026 implementation deadline.

LITERATURE REVIEW

Halal Product Assurance Policy and MSME Implementation Challenges

The implementation of mandatory halal certification in Indonesia represents a significant transformation in the national halal assurance system. Law Number 33 of 2014 on Halal Product Assurance and Government Regulation Number 42 of 2024 require all food and beverage products marketed in Indonesia, including those produced by Micro and Small Enterprises (MSEs), to obtain halal certification by 17 October 2026 (Government of the Republic of Indonesia, 2024). Beyond serving as a legal requirement, this policy aims to strengthen consumer protection, improve product competitiveness, and enhance Indonesia's position within the global halal industry (Tieman, 2021).

Empirical studies generally agree that halal certification provides important benefits for MSMEs, including increased consumer trust, broader market access, and improved business competitiveness. However, previous studies consistently report that implementation remains challenging because



many MSMEs experience limited halal literacy, inadequate administrative capacity, and insufficient understanding of certification procedures (Aziz, 2022; Wahab, 2023). Although these barriers have been widely documented, researchers differ in explaining their primary causes. Some studies emphasize financial constraints and certification costs as the main obstacles, whereas others argue that limited information, weak institutional assistance, and insufficient mentoring are more influential than economic factors (Huda, 2023; Nurdin, 2024). These differing findings suggest that the readiness of MSMEs cannot be explained solely by economic considerations but should also be understood through behavioral and organizational perspectives.

SEHATI Program and Evidence of Policy Effectiveness

To facilitate the implementation of mandatory halal certification, the Halal Product Assurance Agency (BPJPH) introduced the Free Halal Certification (SEHATI) Program, which allows eligible MSMEs to obtain halal certification through a self-declare mechanism accompanied by Halal Product Process Assistants (P3H) (Ministry of Religious Affairs of the Republic of Indonesia, 2023). The program has substantially expanded access to halal certification by reducing financial barriers for small enterprises.

Nevertheless, empirical evidence regarding the effectiveness of SEHATI remains mixed. Several studies report that the program has successfully increased certification participation among MSMEs receiving intensive mentoring and institutional support. In contrast, other studies indicate that many business actors continue to experience procedural difficulties despite the availability of free certification because they have limited understanding of documentation requirements, application procedures, and technical assistance mechanisms (Huda, 2023; Fitriani, 2023). These inconsistent findings indicate that policy availability alone is insufficient to ensure successful implementation. Instead, local institutional capacity, the quality of socialization, and business actors' readiness play equally important roles in determining policy outcomes.

MSME Readiness from an Organizational Readiness Perspective

Readiness has been widely discussed in implementation and organizational change literature as a multidimensional concept rather than merely an individual's awareness of a policy. Organizational Readiness for Change theory proposed by Weiner (2009) defines readiness as the shared psychological and behavioral preparedness of individuals or organizations to implement change successfully. The theory argues that successful implementation depends not only on recognizing the importance of change but



also on having sufficient commitment, confidence, and capability to carry out the required actions.

Applying this perspective to halal certification, MSME readiness can be understood through several interrelated dimensions. Cognitive readiness refers to business actors' knowledge and understanding of halal certification requirements and procedures. Affective readiness reflects their attitudes, perceptions, confidence, and willingness to comply with the policy. Operational readiness concerns the availability of resources, documentation, financial capacity, time, and technical capability necessary for certification implementation (Ismail, 2022). These dimensions are interconnected and may develop unevenly. Business actors may understand the importance of halal certification while still lacking the operational capacity required to complete the certification process.

Previous empirical studies support this multidimensional perspective. Fitriani (2023) found that many MSMEs demonstrate adequate awareness of halal certification but continue to encounter substantial difficulties in preparing documentation and completing administrative procedures. Similarly, Hassan (2023) reported that awareness of halal obligations does not necessarily translate into implementation capability because technical knowledge, institutional support, and resource availability remain limited. These findings reinforce the argument that readiness should not be interpreted solely as knowledge acquisition but also as the capacity to translate knowledge into concrete implementation.

Phenomenological Perspective on Policy Readiness

Most previous studies examining halal certification have employed quantitative surveys or policy evaluations that measure levels of awareness, participation, or implementation outcomes. While these approaches provide valuable descriptive information, they offer limited insight into how business actors themselves experience, interpret, and respond to mandatory halal certification policies.

Phenomenology provides an alternative analytical perspective by emphasizing individuals' lived experiences and subjective meanings (Creswell & Poth, 2018). Rather than measuring readiness through predetermined indicators alone, this approach seeks to understand how policy recipients construct meanings regarding government regulations, institutional assistance, and certification processes. Phenomenological analysis involves identifying significant statements through horizontalization, clustering themes, and synthesizing the essence of participants' experiences (Smith, 2020).



This approach is particularly appropriate for the present study because it enables exploration of how culinary MSME actors in the Minulyo Market Traders Association perceive mandatory halal certification, experience government socialization and mentoring, and interpret their own readiness to comply with the policy. By integrating Organizational Readiness for Change theory with a phenomenological perspective, this study contributes a contextual understanding of policy readiness that extends beyond administrative compliance and captures the lived experiences of MSMEs within a traditional market community.

RESEARCH METHOD

This study employed a qualitative approach with a phenomenological design to explore and interpret the lived experiences of culinary Micro and Small Enterprise (MSE) actors in responding to the mandatory halal certification policy to be implemented in 2026. A phenomenological approach was selected because it seeks to understand how individuals perceive and make meaning of a particular social phenomenon based on their lived experiences (Creswell & Poth, 2018). This approach enabled the researchers to explore participants' subjective interpretations of halal certification readiness within their real-life context. Consistent with phenomenological inquiry, the study emphasized participants' experiences, meanings, and interpretations rather than measuring predetermined variables (van Manen, 2014).

The research was conducted at Minulyo Market, Pacitan Regency, East Java Province, Indonesia. The study focused on culinary MSMEs because they are directly affected by the implementation of the mandatory halal certification policy and represent one of the dominant business sectors in the market.

Informants were selected using purposive sampling because they possessed direct knowledge and experience related to the phenomenon under investigation (Patton, 2015). The participants represented three stakeholder groups: (1) officers from the Halal Product Assurance Agency (BPJPH) at the Office of the Ministry of Religious Affairs of Pacitan Regency, (2) managers of the Minulyo Market Traders Association, and (3) culinary MSME actors who were directly affected by the mandatory halal certification policy. Informants were selected based on their involvement in halal certification implementation, their experience with the SEHATI Program or halal certification activities, and their willingness to participate in the study. Participant recruitment continued until the interviews no longer generated substantially new information relevant to the research objectives, following the principle of information richness and thematic



saturation commonly applied in phenomenological research (Creswell & Poth, 2018).

Data were collected through in-depth interviews, direct observation, and document analysis. Semi-structured interviews were conducted to explore participants' understanding of the mandatory halal certification policy, their experiences with government socialization and assistance, perceived barriers to certification, and their readiness to comply with policy requirements (Kallio et al., 2016). Observations were undertaken to understand the actual conditions of culinary businesses and interactions within the market environment. Documentary evidence, including government regulations, SEHATI program documents, and institutional records related to halal certification in Pacitan Regency, was also analyzed to enrich and corroborate the interview findings.

Data analysis followed the Stevick–Colaizzi–Keen phenomenological procedure developed by Moustakas (1994). Interview transcripts were first examined through horizontalization by identifying significant statements related to participants' experiences. These statements were subsequently grouped into thematic clusters, followed by the development of textural descriptions explaining what participants experienced and structural descriptions explaining how those experiences occurred. Finally, both descriptions were synthesized to identify the essential meaning of participants' readiness in facing the mandatory halal certification policy.

The trustworthiness of the findings was ensured using the criteria proposed by Lincoln and Guba (1985), including credibility, dependability, confirmability, and transferability. Credibility was strengthened through source triangulation by comparing information obtained from government officers, association managers, and culinary MSME actors. Interview findings were further corroborated with observational data and documentary evidence to improve the consistency of interpretations. To enhance dependability and confirmability, the analytical process was conducted systematically, with coding, theme development, and interpretation documented throughout the research process (Nowell et al., 2017).

RESULTS AND DISCUSSION

Understanding and Awareness of Culinary MSME Actors on Halal Certification

Interviews with culinary MSME actors who are members of the Minulyo Market Traders Association indicate that most participants were aware of the



government's mandatory halal certification policy. This awareness reflects an initial stage of cognitive readiness, as participants generally understood that halal certification would become a legal requirement for their businesses. However, this awareness remained largely normative and had not developed into procedural understanding. Most participants reported uncertainty regarding the certification process, required documents, registration procedures, processing time, and certification costs.

These findings suggest that awareness alone is insufficient to ensure implementation readiness. From the perspective of Organizational Readiness for Change (Weiner, 2009), cognitive awareness represents only one component of readiness, while successful policy implementation also requires adequate capability and confidence to perform the required actions. The findings therefore support previous studies by Fitriani (2023) and Hassan (2023), which reported that MSMEs often understand the importance of halal certification but continue to experience difficulties in translating that awareness into practical implementation.

Another important finding concerns participants' concerns regarding certification costs, despite the government's provision of free halal certification through the SEHATI Program. This indicates that misinformation and limited dissemination of policy information continue to shape business actors' perceptions. Similar findings were reported by Huda (2023), who argued that inadequate communication and mentoring remain major barriers to halal certification participation. The present study extends these findings by demonstrating that concerns about certification costs are closely related to insufficient procedural understanding rather than the actual availability of financial support.

Effectiveness of Halal Socialization and Assistance in Pacitan Regency

From the perspective of BPJPH officers at the Office of the Ministry of Religious Affairs of Pacitan Regency, various socialization activities regarding mandatory halal certification have been implemented. Nevertheless, participants acknowledged that the overall level of public understanding remains relatively limited compared with other regions. Several challenges were identified, including limited knowledge of certification procedures, insufficient human resources responsible for halal certification services, and technical constraints during program implementation.

These observations were supported by managers of the Minulyo Market Traders Association, who emphasized that although socialization activities had been conducted, the number of halal facilitators remained insufficient to



adequately assist the growing number of MSMEs. Consequently, many business actors received only general information without obtaining practical guidance throughout the certification process.

The convergence of perspectives among government officers, association managers, and MSME actors demonstrates that the principal challenge lies not in policy formulation but in implementation capacity at the local level. This finding is consistent with implementation theory, which emphasizes that successful policy implementation depends not only on regulatory design but also on institutional capacity, communication, and resource availability (Rahman, 2021). Compared with previous studies that primarily focused on administrative barriers, this research highlights the importance of sustained community-level mentoring as an essential component of implementation readiness.

Limited Utilization of the SEHATI Program

Information obtained from BPJPH indicates that the SEHATI Program provides a substantial quota for MSMEs in East Java. Nevertheless, the available quota has not been fully utilized in Pacitan Regency because many business actors remain unfamiliar with certification procedures and available government assistance.

This finding illustrates what may be described as a "facility availability paradox," in which adequate policy instruments exist but are not optimally utilized because potential beneficiaries lack sufficient knowledge and guidance. Similar observations have been reported in previous studies of halal certification implementation; however, the present study demonstrates that limited utilization is closely associated with local institutional capacity rather than the absence of government support. Thus, expanding policy access alone may be insufficient unless accompanied by more intensive and continuous assistance.

The Essence of Experience: Cognitive Readiness without Operational Readiness

Phenomenological analysis using the Stevick–Colaizzi–Keen procedure revealed a common essence across participants' experiences, which can be described as "*cognitive readiness without operational readiness*." Participants generally recognized the obligation to obtain halal certification and acknowledged its importance. Nevertheless, they lacked procedural knowledge, practical experience, and sufficient institutional assistance to initiate the certification process independently.

This finding supports the multidimensional concept of readiness proposed by Organizational Readiness for Change theory (Weiner, 2009), which argues that



awareness alone does not guarantee successful implementation unless accompanied by adequate capability and organizational support. The present study therefore extends previous research by demonstrating that readiness among culinary MSMEs should be understood as a dynamic interaction between individual understanding, institutional assistance, and local implementation capacity rather than as a simple measure of policy awareness.

Implications for Community-Based Assistance

The findings suggest that the Minulyo Market Traders Association has considerable potential to function as an intermediary between BPJPH and culinary MSMEs. Given the limited number of halal facilitators, empowering association leaders through training as community-based facilitators may improve the dissemination of information and provide continuous assistance during the certification process.

Unlike previous studies that primarily recommend increasing government socialization, the present findings indicate that community-based mentoring may represent a more sustainable strategy for strengthening operational readiness. Through collaboration between BPJPH, local associations, and trained facilitators, cognitive awareness can be gradually transformed into practical capability, thereby improving MSME preparedness before the implementation deadline for mandatory halal certification.

CONCLUSION

This study concludes that culinary MSME actors who are members of the Minulyo Pacitan Market Traders Association have an initial awareness of the halal certification obligation that will be enforced in October 2026, but their readiness is still at the normative cognitive stage and has not reached operational readiness. Around 80% of MSME actors are considered cognitively ready, while the other 20% are not ready due to limited understanding of procedures, documents, costs, and concerns about implementation even though the SEHATI Program is available. From an institutional perspective, the limited human resources of companions and socialization of BPJPH cause the use of the program to be not optimal. It is necessary to strengthen assistance based on the Minulyo Market Traders Association by BPJPH and local governments through a more intensive, personalized, and sustainable approach so that the operational readiness of MSME actors can increase before the mandatory halal deadline of 2026.

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