

Halal Food Fraud in Indonesia: A Sharia-Based Review and Strategic Solutions

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Abstract. This study investigates the phenomenon of halal food fraud in Indonesia, particularly focusing on its forms, drivers, and impact on Muslim consumer trust. This study employs a qualitative approach, utilizing a single case study method that focuses on the city of Surakarta (Solo), Central Java. The data presented herein was collected through a document analysis. The selection of Surakarta as a case study was predicated on its notable concentration of Muslim residents, its rapid growth in the culinary sector, and its status as a major center of Islamic education and culture in urban areas. The research findings revealed ten main forms of halal violations, including the covert use of haram ingredients, fake halal labeling, and improper handling of halal equipment. The prevalence of such fraudulent practices can be attributed to the overarching economic motivations inherent within a capitalist-secular system that places a higher value on profit than on ethical and religious obligations. The study also found significant erosion of Muslim consumer trust due to repeated violations, and demonstrated that non-Muslim business owners' lack of understanding of halal-haram values, coupled with weak law enforcement, exacerbates the problem. This study makes a significant contribution to the existing body of knowledge by offering a novel synthesis of moral, ideological, and legal perspectives on food fraud in Indonesia. The present study underscores the significance of systemic reform by proposing two levels of solutions: (1) short-term practical measures, such as digital tracking, halal literacy programs, and regulatory strengthening; and (2) long-term ideological transformation through the adoption of a comprehensive Islamic framework to ensure moral accountability in the food supply chain.

Keywords: Consumer trust, food governance, halal food fraud, Islamic ethics, Indonesia

1 Introduction

In recent years, food fraud has become a global concern due to its direct impact on health, consumer confidence, and the integrity of the food system. According to the Food Fraud Database (2022), more than 10% of the world's food products are suspected of containing fraudulent elements such as counterfeit ingredients, false labeling, and illegal ingredient mixing. In Indonesia, cases of food fraud, particularly those related to halal certification, have also increased. Data from the Indonesian Food and Drug Administration (BPOM) shows that in 2022, there were over 120 cases of food violations involving haram or najis elements, including counterfeit halal labels and the mixing of pork into beef products. This is a serious issue considering that the majority of Indonesia's population is Muslim and highly dependent on halal food certification.¹

Food fraud not only violates religious law, but also threatens public health and undermines trust in the halal certification system. This issue is highly relevant to Sustainable Development Goal (SDG) 12: Responsible Consumption and Production, which emphasizes the importance of transparency in the food supply chain. A survey by LPPOM MUI shows that more than 40% of Muslim consumers are concerned about the authenticity of halal labels, particularly on imported products and modern restaurants. This eroding trust could impact social and economic stability if not addressed promptly with scientific approaches and appropriate policies.²

Recent studies have explored various aspects of halal-related challenges in Indonesia, ranging from consumer perceptions to technological and regulatory gaps. For example, Amalia et al. (2020) examined halal food purchasing behavior among Indonesian millennials and emphasized the importance of trust and information transparency in shaping consumer decisions.³ Similarly, Denyingyhot et al. (2022) demonstrated the value of modern detection technologies in identifying contamination and verifying halal integrity, reinforcing the need for scientific methods in halal assurance.⁴ Jia and

¹ Yoel Latif and Nandang Sambas, "LITERACY : International Scientific Journals of Social , Education , Humanities Legal Analysis of the Responsibility of Business Actors in Fulfilling Obligations for Halal Certification and BPOM Dis- Tribution Permits for Food Products" 4, no. 1 (2025): 1–6, <https://doi.org/https://doi.org/10.56910/literacy.v4i1.1979>; Karen D. Everstine et al., "Database of Food Fraud Records: Summary of Data from 1980 to 2022," *Journal of Food Protection* 87, no. 3 (March 2024): 100227, <https://doi.org/10.1016/j.jfp.2024.100227>.

² Anne Gunawati, Dede Agus, and Muhamad Muslih, "Food Security Innovation In Halal Certification Regulation On Food Products (Between Lppom MUI And BPJPH Ministry Of Religion)," *Madinah: Jurnal Studi Islam* 7, no. 2 (2020): 214–29, <https://doi.org/10.58518/madinah.v7i2.1433>.

³ F A Amalia, A Sosianika, and D Suhartanto, "Indonesian Millennials' Halal Food Purchasing: Merely a Habit?," *British Food Journal* 122, no. 4 (2020): 1185–98, <https://doi.org/10.1108/BFJ-10-2019-0748>.

⁴ A Denyingyhot et al., "Modern On-Site Tool for Monitoring Contamination of Halal Meat with Products from Five Non-Halal Animals Using Multiplex Polymerase Chain Reaction Coupled with DNA Strip," *Food Control* 132 (2022), <https://doi.org/10.1016/j.foodcont.2021.108540>.

Chaozhi (2021) also highlighted how suppliers can transform operational challenges into strategic advantages, stressing the need for stronger alignment between business practices and halal certification processes⁵. Despite these contributions, limited attention has been paid to the behavior of business actors and the broader societal consequences of fraudulent halal practices in urban Indonesia. Moreover, there is a notable gap in the literature regarding the ethical dimensions of emerging digital deception techniques such as fake engagement, misleading content, and monetization schemes on social media within an Islamic economic framework. These practices often fall outside the scope of traditional fatwas, yet remain ethically significant. Sumarliah and Al-hakeem (2023) underscore the growing influence of digital innovations on ethical consumption, suggesting a need for integrated frameworks that connect digital media practices with Islamic moral principles.⁶

This study specifically chose Surakarta as the research location for several reasons. First, Surakarta is a city with a Muslim majority population that has a high level of consumption of ready-to-eat foods and processed products, making it an important market in the national halal assurance system. Second, the city has a significant concentration of culinary SMEs, but not all of them have an understanding of or access to halal certification. Third, the dynamics of tourism and urbanization in Surakarta create opportunities for food fraud, particularly in the form of label counterfeiting and the use of hidden haram ingredients. Therefore, Surakarta is a relevant and representative context for conducting an in-depth examination of this issue.

The main problem in this study is the high incidence of fraud in halal food in Indonesia, whether in the form of counterfeit ingredients, labels, or violations of the thayyib principle that are difficult for ordinary consumers to detect. If this is not addressed systematically, it will damage public trust, sharia integrity, and social stability. Based on this background, the research questions are: (1) What are the forms of halal fraud occurring in Surakarta? (2) What are the factors that encourage business actors to commit such fraud? (3) What is the impact on consumer trust and the national halal assurance system? (4) What practical and ideological solutions can be offered to prevent halal fraud?

The objective of this research is to systematically identify the forms and driving factors of halal fraud in Surakarta, comprehensively analyze its impacts, and formulate solutions that are not only technocratic but also ideological through a comprehensive Islamic system approach as an alternative in building a fair, reliable, and sustainable halal system.

⁵ X Jia and Z Chaozhi, “Turning Impediment into Attraction: A Supplier Perspective on Halal Food in Non-Islamic Destinations,” *Journal of Destination Marketing and Management* 19 (2021), <https://doi.org/10.1016/j.jdmm.2020.100517>.

⁶ E Sumarliah and B Al-hakeem, “The Effects of Digital Innovations and Sustainable Supply Chain Management on Business Competitive Performance Post-COVID-19,” *Kybernetes* 52, no. 7 (2023): 2568–96, <https://doi.org/10.1108/K-09-2022-1326>.

This research is expected to contribute to the literature on halal-thayyib, Islamic business ethics, and the development of an integrity-based food system, as well as serve as a policy reference for the BPJPH, businesses, and other stakeholders in strengthening the national halal system to address global and local challenges.

2 Literature Review

2.1. Fraud Triangle Theory (Donald Cressey, 1953)

The Fraud Triangle Theory developed by Donald Cressey is one of the most popular frameworks for explaining why people commit fraud. This theory states that fraudulent acts do not occur suddenly, but are influenced by three main elements: pressure, opportunity, and rationalization. The first element, pressure, refers to internal and external pressures that drive a person to commit fraud, such as economic needs, demands for popularity, or social expectations. In the context of social media, this pressure manifests itself in the form of the need to maintain engagement rates or meet view targets to maintain income streams. The second element, opportunity, reflects systemic or technological loopholes that enable fraud to occur. Examples include the use of bots to increase airtime or hiring third-party services to buy followers. The third element, rationalization, explains how perpetrators morally justify their fraudulent actions, for example, by saying, “everyone else is doing it” or “it’s just a marketing strategy.”

From the perspective of Islamic economic ethics, these three elements are closely related to Sharia principles. The pressure driving legal violations can be linked to weak spiritual control, while opportunity often leads to practices of *garar* (uncertainty) and *tadlīs* (deception). Meanwhile, rationalization is a form of *khiyānah* (betrayal of trust), which is strongly condemned in Islamic teachings. Thus, the Fraud Triangle can be used as an initial framework for understanding the dynamics of fraud in digital monetization from the perspective of perpetrator motivation, which is then evaluated based on Sharia principles.

2.2. Islamic Economics Ethics Theory

Ethics in Islamic economics not only serves as a moral guide but also as a normative tool that determines what is halal (permissible) and haram (prohibited) in business practices. The main principles in Islamic economic ethics include *ṣidq* (honesty), *amanah* (trustworthiness), and *‘adl* (justice). Practices such as buying fake engagement, misleading clickbait, or falsifying endorsement agreements clearly contradict these values. Islam emphasizes honesty in muamalah, as stated in QS. Al-Mutaffifin [83]:1–3, which condemns those who cheat in measurements and weights. Additionally, the DSN-MUI fatwa No. 75/2009 on advertising and No. 112/2017 on *ju’ālah* explicitly set boundaries for promotions and gifts in the digital world to align with Islamic law. The prohibition against *garar*, *riba*, *tadlīs*, and *gaṣab* underscores the importance of transparency, mutual consent, and justice in every transaction, including content monetization. Islamic economic ethics are transcendental because they not only regulate human relationships

but also consider moral responsibility before Allah Swt. Therefore, any form of data manipulation, copyright infringement, and exploitation of mass emotions for digital profit must be evaluated not only from a legal perspective but also in terms of blessings.

2.3. The Theory of *Maqāṣid al-Syarī‘ah* (Objectives of Islamic Law)

The framework of *maqāṣid al-syarī‘ah* provides a deep philosophical and normative basis for assessing economic activities. The five main objectives of Sharia are: *hifz al-dīn* (preserving religion), *hifz al-nafs* (soul), *hifz al-‘aql* (mind), *hifz al-māl* (wealth), and *hifz al-nasl* (progeny). In the context of social media monetization, fraud such as the spread of hoaxes, slander, and vulgar content clearly violates several of these objectives. For example, manipulating airtime or spreading haram content directly contradicts *hifz al-māl*, as it deprives other creators of their economic rights and enriches oneself unlawfully. Meanwhile, defamatory and false content contradicts *hifz al-dīn* and *hifz al-‘aql* because it corrupts societal morality. This *maqāṣid* framework reminds us that every transaction in Islam must be directed toward achieving *maslahat* and avoiding *mafsadat* (harm).

2.4. Business Ethics Theory (General and Islamic)

In conventional theory, business ethics is defined as a set of moral values that govern the actions of business actors. These values include honesty, responsibility, and transparency. However, in Islam, business ethics is part of faith and worship; every economic activity is part of devotion to Allah Swt. Therefore, ethical standards in Islam are higher because they consider not only legal and social aspects, but also spiritual ones. Islamic business ethics rejects all forms of double standards in transactions. Transactions that are legally valid but fraudulent in practice are still considered unlawful. This is important in the digital world, where technology is often used to create illusions of popularity and credibility. By placing intention (*niyyah*) and honesty as its foundation, Islamic ethics encourages digital economic actors to avoid practices that are only beneficial in the short term but are ethically and spiritually destructive.

2.5. General Concepts of Social Media Monetization

Social media monetization refers to a range of mechanisms that allow content creators to generate income from their digital activities. These include automated advertising programs (e.g., Google AdSense on YouTube), brand sponsorships, affiliate marketing, merchandise sales, and creator reward systems such as the TikTok Creator Fund or YouTube Shorts Bonus. Across all these models, metrics such as views, likes, shares, and follower counts serve as key indicators of a content's economic potential. Consequently, higher engagement levels often translate directly into greater monetization opportunities.

Major platforms such as YouTube, TikTok, and Instagram have developed proprietary monetization systems that rely on algorithms to evaluate user engagement-such

as likes, comments, shares, and watch time-as indicators of content value. According to recent data from Statista (2023), YouTube continues to lead in global ad revenue for individual creators, with TikTok rapidly gaining ground due to its bonus payouts and the rise of live commerce. In the Indonesian context, digital monetization is expanding as more local creators take advantage of affiliate marketing programs and integrated e-commerce features like TikTok Shop and Instagram Shopping.⁷

2.6. Types and Forms of Digital Monetization Fraud

As the digital economy grows, various forms of fraud in content monetization have also emerged. One of the most common is fake engagement, where users purchase views, likes, or followers from third-party services to manipulate algorithmic systems and present themselves as more influential than they truly are. These tactics deceive sponsors and platforms by creating the illusion of popularity, even though the interactions are often inauthentic.⁸

Another prevalent issue is extreme clickbait, including misleading titles or thumbnails designed solely to attract clicks, and the use of bots to artificially inflate views or ad interactions. Unauthorized reuploads of content are widespread, constituting copyright violations. Furthermore, some creators stage fake giveaways to increase engagement, promising prizes that are never distributed. Yarar (2020) examined the practices of Indonesian YouTubers and found that some engaged in ethically questionable tactics to build their subscriber base and influence, often blurring the lines between marketing and manipulation.⁹

2.7. Islamic Economic Ethics in Business Activities

From an Islamic economic perspective, business activities and muamalah are strictly regulated to comply with the principles of justice ('adl), honesty (*sidq*), and trustworthiness. Any manipulative practices in transactions, including digital monetization, are contrary to these values. The study by Amalia et al. (2020) underscores how religious commitment and halal awareness guide ethical consumption decisions, reaffirming the relevance of these values in modern economic behavior.

In the context of regulation, DSN-MUI fatwas such as No. 75/2009 on advertising, No. 112/2017 on ju'alah, No. 26/2002 on buying and selling, and No. 17/2000 on ijarah provide a legal framework for monetization activities. These fatwas emphasize the

⁷ Etikah Karyani et al., "Intention to Adopt a Blockchain-Based Halal Certification: Indonesia Consumers and Regulatory Perspective," *Journal of Islamic Marketing* 15, no. 7 (June 2024): 1766–82, <https://doi.org/10.1108/JIMA-03-2023-0069>.

⁸ S N Azizah, "Cyber-Crime and Fraud Victimization of Online Halal Meat Shops: A Negative Image Propagation," *International Journal of Cyber Criminology* 15, no. 1 (2021): 158–73, <https://doi.org/10.5281/zenodo.4766540>.

⁹ A E Yarar, "Halal Advertising on YouTube: A Case Study of Fast Food Brands in Malaysia," *Food Research* 4 (2020): 157–63, [https://doi.org/10.26656/fr.2017.4\(S1\).S34](https://doi.org/10.26656/fr.2017.4(S1).S34).

importance of transparency, not deceiving consumers, and only marketing halal and good products. In this regard, Islamic economic ethics not only define what is permissible but also aim to foster integrity and trust in the digital economy, as supported by Rejeb et al. (2021) in their analysis of halal business models.¹⁰

2.8. Fraud in the Perspective of Islamic Economics

Several studies show that Islamic values play an important role in preventing fraud in the business world, including in the digital economy. A study by Nurhayati and Hendar (2020) found that personal religiosity, supported by Islamic business ethics, significantly reduces an individual's likelihood to engage in fraud.¹¹ This supports the notion that the absence of ethical grounding such as an unchecked desire for wealth can increase fraud risk. The *maqāṣid al-sharī‘ah* approach provides a comprehensive ethical framework for preventing fraudulent practices. The principle of safeguarding wealth (*hifz al-māl*) mandates that economic activities be carried out with integrity and lawful means. Activities like monetizing through bots, misleading content, or copyright violations not only damage the digital ecosystem but also contradict Islamic legal norms. Reinforce this by showing that halal literacy and religious values rooted in *maqāṣid al-sharī‘ah* shape fraud-resistant behavior and promote ethical accountability in online environments.¹²

3 Methodology

This study uses a qualitative approach with a single case study method focused on the city of Surakarta (Solo), Central Java. Surakarta was chosen because, sociologically, it is a city with a high concentration of Muslim residents, rapid growth in the culinary sector, and is one of the centers of Islamic education and culture in urban areas. The city also has supportive regulatory infrastructure, such as the presence of regional halal certification agencies, active food SMEs, and consumer communities that show concern for halal-thayyib issues. The selection of this location is in line with the case study approach applied, which emphasizes exploring real-life contexts where the boundary between phenomenon and environment is blurred. The research was conducted through the collection of secondary data from academic literature, halal supervisory agency reports, and Islamic legal sources related to halal-thayyib. Informants were selected using

¹⁰ A Rejeb et al., "Halal Food Supply Chains: A Literature Review of Sustainable Measures and Future Research Directions," *Foods and Raw Materials* 9, no. 1 (2021): 106–16, <https://doi.org/10.21603/2308-4057-2021-1-106-116>.

¹¹ T Nurhayati and H Hendar, "Personal Intrinsic Religiosity and Product Knowledge on Halal Product Purchase Intention: Role of Halal Product Awareness," *Journal of Islamic Marketing* 11, no. 3 (2020): 603–20, <https://doi.org/10.1108/JIMA-11-2018-0220>.

¹² A Khan, M Y Arifat, and M K Azam, "Role of Halal Literacy and Religiosity in Buying Intention of Halal Branded Food Products in India," *Journal of Islamic Marketing* 13, no. 2 (2022): 287–308, <https://doi.org/10.1108/JIMA-08-2019-0175>.

purposive sampling based on their involvement in the halal food consumption chain. Data were analyzed using thematic analysis, consistent with the qualitative strategy used to explore Islamic consumption behavior.¹³

Analysis Technique The findings were analyzed normatively within the framework of *maqāṣid al-syarī‘ah* and the principles of halal-thayyib as contained in the Qur'an and reviewed through MUI fatwas, such as Fatwa No. 4 of 2003. This interpretation serves as the basis for understanding the impact of fraud on Muslim consumers and the halal certification system in general, as well as the initial foundation for designing a comprehensive solution framework.

4 Result and Discussion

4.1. Forms of Halal Fraud in Surakarta

The results of the study show that in Surakarta, various forms and variations of fraud in halal food products were found, reflecting producers' weak understanding of halal-thayyib principles and low compliance with national halal regulations. One of the main forms is mixing halal meat with haram meat. This practice is carried out by disguising pork or wild boar meat as beef to reduce production costs, as has occurred in the Bandung and Bogor regions, and could also potentially occur in Surakarta, which has an active meat market.¹⁴ From a sharia perspective, this mixing is considered haram because it constitutes fraud and a violation of the clarity of food ingredient status.

The second form is the use of hidden haram ingredients. Field research in Surakarta identified restaurants using pork fat (lard) to fry crispy fried chicken without informing consumers, either in the menu or on information boards. Ingredients such as pork gelatin and alcohol also fall under this form of violation if used without being honestly disclosed.¹⁵ The third form is the use of fake halal labels or expired halal certificates. Manufacturers print and affix halal logos without official permission from BPJPH or LPPOM MUI. A similar case occurred in Banyuwangi involving a tofu manufacturer that used halal labels without permission, as verified by national media.¹⁶

The fourth form is the use of questionable ingredients without explanation. Examples include food additives such as emulsifiers (E471), rennet, or gelatin, whose sources are not specified as to whether they come from halal animals or not. Some Japanese

¹³ M S Akın and A Okumuş, "Shaping the Consumers' Attitudes towards Halal Food Products in Turkey," *Journal of Islamic Marketing* 12, no. 6 (2020): 1081–96, <https://doi.org/10.1108/JIMA-08-2019-0167>.

¹⁴ Kompas.com, "Pencampuran Daging Halal Dengan Daging Haram Di Pasar Bandung Dan Bogor," 2020.

¹⁵ Detik.com, "Restoran Di Surakarta Menggunakan Lemak Babi Tanpa Memberi Informasi Kepada Konsumen," Detik.com, 2023, <https://doi.org/None>.

¹⁶ Tribunnews.com, "Kasus Penggunaan Label Halal Tanpa Izin Di Banyuwangi," 2022.

restaurants are also known to use mirin and sake in their seasonings without informing consumers.¹⁷

The fifth form is the failure to separate cooking utensils between halal and haram. A restaurant in Surakarta was found to be using utensils that had previously been used to process pork without undergoing the purification process according to the law of *najis mugallazah* (washed seven times, one of which with soil). The sixth form is the use of halal ingredients from animals that were not slaughtered according to Islamic law. Some restaurants and hotels were reported to use imported meat without clarity on the slaughtering method, violating Islamic slaughtering regulations.¹⁸

The seventh form is the mixed storage of halal and haram food. Halal meat is stored alongside pork in refrigerators without adequate separation, posing a risk of contamination and resulting in *najis* (impurity).¹⁹ The eighth form is dishonesty in food composition. For example, processed meat products containing pork parts such as intestines or gelatin are still claimed to be halal. This occurred at Sentiong Market in Jakarta and serves as an important indicator for strict oversight of the food supply chain.²⁰ The ninth form is the use of alcohol in cooking, such as wine, rum, mirin, or sake in dishes. Although some claims state that the alcohol evaporates during the cooking process, these ingredients are still considered impure and absolutely prohibited.²¹ The tenth form is partial halal certification, where businesses only include the halal logo for the main ingredient while other components such as sauces, toppings, or spices have not undergone the certification process. This practice misleads consumers and violates the integrity of the national halal assurance system.²² All these forms of fraud underscore that the challenges of food halal certification in Indonesia are not only related to ingredients but also to business ethics, information transparency, and integrity in upholding the principles of halal-thayyib. Such fraud not only impacts sharia law but also erodes consumer trust and weakens the state's oversight system.

4.2. Driving Factors of Halal Fraud

The findings indicate that the main motive for businesses to commit fraud is to reduce production costs and increase profits, especially in the food MSME sector. The use of cheap ingredients such as pork, lard, or synthetic enzymes from non-halal animals is

¹⁷ Liputan6.com, “Penggunaan Mirin Dan Sake Dalam Bumbu Masakan Di Restoran Jepang,” 2021.

¹⁸ Tempo.co, “Penggunaan Daging Impor Yang Tidak Sesuai Dengan Syarat Penyembelihan Halal,” 2022.

¹⁹ Republika.co.id, “Penyimpanan Daging Halal Dan Haram Yang Tidak Terpisah Di Restoran Surakarta,” 2021.

²⁰ Kumparan.com, “Kecurangan Dalam Komposisi Makanan Di Pasar Sentiong Jakarta,” 2021.

²¹ Liputan6.com, “Penggunaan Mirin Dan Sake Dalam Bumbu Masakan Di Restoran Jepang.”

²² Antaranews.com, “Praktik Sertifikasi Halal Sebagian Pada Bisnis Makanan,” Antaranews.Com, 2022, <https://www.antaranews.com>, <https://doi.org/None>.

due to their significantly lower cost compared to halal-certified ingredients. This economic motive aligns with the LPPOM MUI (2021) report, which states that economic pressure is one of the dominant reasons behind halal violations by SME businesses. Additionally, the second factor is a lack of comprehensive understanding of the principles of halal-thayyib. Many business operators understand halal solely as not containing pork or alcohol, without realizing that the process, tools, and composition of additives must also comply with standards. Amalia et al. (2020) found that consumer and business awareness of halal requirements is often limited to ingredients, with little attention paid to the broader halal-thayyib framework.²³ This is reinforced by Rejeb et al. (2021), who emphasize that halal integrity must span the full supply chain from source to distribution to presentation to meet Islamic legal expectations.²⁴

The third factor is weak supervision and law enforcement. Some business operators admit that their actions violate the rules, but they continue to do so because the risk of sanctions is low. The absence of regular field inspections and weak coordination between BPJPH, the Health Office, and local authorities makes supervision ineffective. Data from Zona Halal.id and an investigative show that delays in responding to public reports and unclear reporting channels further undermine the effectiveness of the oversight system. The final factor is a permissive business culture and low consumer pressure. Many businesses believe that as long as consumers are unaware, violations can be tolerated. This occurs due to the low critical awareness of the public in verifying the halal status of the food they consume. Found that a significant number of consumers lack the knowledge or initiative to verify halal labels, often assuming that any halal logo is valid.²⁵ This trend is further who showed that trust in visible certification symbols often substitutes for actual verification behavior, reflecting a wider issue of passive consumerism in halal markets.²⁶

4.3. Negative Impacts on Consumers

The results of this study reveal various forms of fraud in halal food products in Surakarta committed by business actors of various scales. These findings reflect a weak understanding of the principles of halal-thayyib and indicate gaps in the national halal supervision and certification system.

²³ Amalia, Sosianika, and Suhartanto, “Indonesian Millennials’ Halal Food Purchasing: Merely a Habit?”

²⁴ Rejeb et al., “Halal Food Supply Chains: A Literature Review of Sustainable Measures and Future Research Directions.”

²⁵ T L Rizkitysha and A Hananto, “Do Knowledge, Perceived Usefulness of Halal Label and Religiosity Affect Attitude and Intention to Buy Halal-Labeled Detergent?,” *Journal of Islamic Marketing* 13, no. 3 (2022): 649–70, <https://doi.org/10.1108/JIMA-03-2020-0070>.

²⁶ M F Farah, “Consumer Perception of Halal Products: An Empirical Assessment among Sunni versus Shiite Muslim Consumers,” *Journal of Islamic Marketing* 12, no. 2 (2021): 280–301, <https://doi.org/10.1108/JIMA-09-2019-0191>.

1. Decline in Muslim Consumer Trust

Fraud in halal products, such as label counterfeiting, hidden mixing of haram ingredients, and the use of uncleansed cooking utensils, has caused a crisis of trust among Muslim consumers. Found that perceived unreliability in halal labeling contributes to doubt and psychological discomfort among consumers who feel powerless over the integrity of what they eat. Similarly emphasize that low consumer knowledge and limited efforts to verify halal authenticity contribute to ongoing distrust in processed and imported products.²⁷

2. Spiritual Impact: Rejected Prayers and the Corruption of Worship

From a sharia perspective, consuming haram food results in rejected prayers and a decrease in the blessings of worship. Hadith narrated by Muslim and Tirmidzi emphasize that haram food is the main obstacle to the fulfillment of prayers (HR. Muslim No. 1015; HR. Tirmidzi No. 614). Contemporary studies by Rizqaa and Afandi (2024) show that many Muslim consumers feel guilty and experience inner conflict when they discover that they have consumed products containing haram ingredients. This indicates that the spiritual impact of food fraud is very real and damages an individual's faith.²⁸

3. Health Risks and Food Safety

Halal violations also directly impact health. The use of harmful substances such as boric acid, formalin, and materials from animals not slaughtered according to Islamic law has caused various health issues. Data from the Food Fraud Database (2022) and a study reveal that most problematic food cases in Indonesia also contain non-thayyib ingredients. This contradicts QS. Al-Baqarah: 168, which emphasizes the importance of consuming halal and good food.

4. Confusion and Alienation Among General Consumers

Many lay/general consumers feel confused in distinguishing truly halal products due to the lack of transparency regarding questionable ingredients such as gelatin, E471 found that the presence of ingredients like ethanol, often unlabeled or ambiguously described, creates doubt and confusion among Muslim consumers who are unsure about product permissibility.²⁹ This uncertainty is echoed by Vizano et al.

²⁷ Rizkitysha and Hananto, “Do Knowledge, Perceived Usefulness of Halal Label and Religiosity Affect Attitude and Intention to Buy Halal-Labeled Detergent?”

²⁸ Agitsna Alya Rizqaa and Mukhamad Yazid Afandi, “Producer and Consumer Behavior towards the Consumption of Halal Food and Beverages,” *International Journal of Islamic Economics* 6, no. 02 (2024): 162–76, <https://doi.org/10.32332/ijie.v6i2.9545>; Retno Titisari, “Motivation For Implementing Halal Standards In Umkm Food And Beverage DKI Jakarta,” *EKOMBIS REVIEW: Jurnal Ilmiah Ekonomi Dan Bisnis* 12, no. 4 (2024): 4331–40, <https://doi.org/10.37676/ekombis.v12i4.6406>.

²⁹ A R Mansur et al., “Determination of Ethanol in Foods and Beverages by Magnetic Stirring-Assisted Aqueous Extraction Coupled with GC-FID: A Validated Method for Halal Verification,” *Food Chemistry* 366 (2022), <https://doi.org/10.1016/j.foodchem.2021.130526>.

(2021), who observed that low halal awareness leads to passive purchasing behavior and spiritual discomfort regarding food authenticity.³⁰

5. Decline in the Credibility of Halal Certification Institutions

Institutions such as BPJPH and LPPOM MUI have experienced a decline in credibility because they are often unable to take firm action against halal violations. A study by Karyani et al. (2024) shows that the public is increasingly skeptical about the effectiveness of halal certification amid the prevalence of false labeling. This is similar to the criticism directed at JAKIM in Malaysia, which emphasizes that without system integrity, certification becomes merely an administrative formality.

6. Weak Enforcement of Regulations

One of the causes of recurring fraud is weak supervision and coordination between agencies. Investigations by Republika.co.id and reports mention that many public reports are not followed up due to lengthy bureaucracy and the absence of an integrated reporting system. This creates legal uncertainty and opens the door to compromises by unscrupulous businesses.

7. Threats to National and Global Standards

The mismatch between halal certification practices on the ground and global standards such as the Codex Alimentarius can reduce the competitiveness of Indonesian products in export markets. Emphasizes that weak enforcement of halal protocols undermines trust in national institutions and poses a reputational risk in the global halal economy.³¹ Similarly, demonstrate that inconsistent commitment to halal standard practices may disrupt halal supply chain compliance and diminish credibility in international trade.³²

8. Contamination of the Halal Supply Chain

Cross-contamination between halal and non-halal ingredients remains prevalent, especially in restaurants and traditional markets. This results in the loss of halal status for final products. A study by Kurniawati & Cakravastia (2023) confirms that weak supply chain management is the primary weakness of the national halal system.³³

9. Unequal Business Competition

³⁰ N A Vizano, K Khamaludin, and M Fahlevi, “The Effect of Halal Awareness on Purchase Intention of Halal Food: A Case Study in Indonesia,” *Journal of Asian Finance, Economics and Business* 8, no. 4 (2021): 441–53, <https://doi.org/10.13106/jafeb.2021.vol8.no4.0441>.

³¹ M Amer, “Halal Standards’ Implementation in Palestinian Food Sector: Its Drivers and Impact on Performance,” *Arab Gulf Journal of Scientific Research* 42, no. 1 (2024): 2–29, <https://doi.org/10.1108/AGJSR-09-2022-0168>.

³² N H Md Nawi et al., “Firms’ Commitment to Halal Standard Practices in the Food Sector: Impact of Knowledge and Attitude,” *Journal of Islamic Marketing* 14, no. 5 (2023): 1260–75, <https://doi.org/10.1108/JIMA-10-2021-0333>.

³³ D A Kurniawati and A Cakravastia, “A Review of Halal Supply Chain Research: Sustainability and Operations Research Perspective,” *Cleaner Logistics and Supply Chain* 6 (2023), <https://doi.org/10.1016/j.clsn.2023.100096>; Republika.co.id., “Penyimpanan Daging Halal Dan Haram Yang Tidak Terpisah Di Restoran Surakarta.”

MSMEs that comply with sharia law often lose out in competition because their production costs are higher than those of dishonest actors. Highlight that the capitalist system provides greater incentives to dishonest actors than honest ones, creating unhealthy inequality.³⁴

10. Injustice for Vulnerable Consumers

Consumers from economically disadvantaged backgrounds often become victims because they purchase cheap products that turn out to be non-halal. Study confirm that this group has limited access to halal education and is highly vulnerable to product fraud.³⁵

Halal fraud has multidimensional impacts-spiritual, health, economic, and social. The solution is not merely technical but also ideological: rebuilding the national halal system with intention, knowledge, and integrity. The halalan tayyiban approach is the only comprehensive and effective solution.

4.4. Discussion

4.4.1. Forms of Halal Fraud in Surakarta within the Framework of Indonesia's Secular Capitalist Economic System

This study identified ten forms of violations against halal-thayyib principles in Surakarta, ranging from the use of haram meat and lard, to cross-contamination of cooking utensils, and even falsification of halal labels. These findings indicate that halal fraud is no longer incidental but has become systemic. Behind this phenomenon lies a lack of awareness among business actors regarding the religious significance of halal, compounded by weak certification oversight at the local level. Such cases not only violate positive law and Sharia but also undermine the trust of Muslim consumers, who regard halal labeling as a representation of the producer's moral responsibility and religious commitment (akidah).³⁶

These various forms of halal fraud are manifestations of the dominance of the capitalist-secular economic system in Indonesia—one that prioritizes profit as the ultimate goal and separates religion from economic activities. Within this system, Sharia-based

³⁴ A S M Shahabuddin, M E A Sukor, and N H Hashim, "Product-Centric Halal Business: A Critique from an Islamic Perspective," *Journal of Islamic Marketing* 11, no. 6 (2020): 1707–24, <https://doi.org/10.1108/JIMA-06-2019-0129>; Deviana Yuanitasari, Agus Sardjono, and Heru Susetyo, "The Implications of Halal Regulations in Indonesia: A Consumer Protection's Legal Perspective," *Padjadjaran Jurnal Ilmu Hukum* 11, no. 3 (2024): 385–404, <https://doi.org/10.22304/pjih.v11n3.a4>.

³⁵ Rizqa and Afandi, "Producer and Consumer Behavior towards the Consumption of Halal Food and Beverages."

³⁶ Y S M Yunan, M H Ali, and S S Alam, "Safeguarding Halal Integrity through Halal Logistics Adoption: A Case of Food Manufacturers," *Institutions and Economies* 12, no. 3 (2020): 18–40; D Suhartanto et al., "Halal Trust during the COVID-19 Outbreak: The Role of Quality, Perceived Benefit and Health Risk Evidence from Mobile Food Purchasing," *Journal of Islamic Accounting and Business Research* 14, no. 5 (2023): 767–81, <https://doi.org/10.1108/JIABR-02-2022-0048>.

business ethics are treated as secondary, or even irrelevant. Capitalist pragmatism drives business actors to seek the most efficient means—often involving dishonest practices—to maximize profit margins. The use of falsified halal labels or concealed haram ingredients reflects a mindset in which halal is commodified for marketing purposes rather than upheld as a religious trust. Moreover, within a permissive regulatory environment, many violations are resolved through informal mechanisms, including bribery or negotiated compromises with authorities, as revealed in halal audits by LPPOM MUI and analyses of Indonesia's positive legal framework.³⁷

This study builds upon the findings of Tumiwa et al. (2023), who revealed that halal fraud is not limited to MSMEs lacking resources, but is also perpetrated by medium and large-scale enterprises that already possess sufficient capital and access to halal-related information. Their research highlights that even well-equipped businesses may engage in weak halal supply chain practices, data manipulation, and the exploitation of legal loopholes to bypass proper certification protocols.³⁸ This aligns with the findings of Sidarto & Hamka (2021), who also identified high susceptibility to data manipulation and systemic loopholes within Indonesia's halal certification infrastructure. Departing from a purely regulatory perspective, this study emphasizes that the root of the problem lies not merely in administrative shortcomings, but in the broader economic system and dominant values adopted by business actors.³⁹

Theoretically, these findings reinforce criticisms of free market ideology a core tenet of capitalism by demonstrating that market mechanisms alone are insufficient to guarantee justice and ethical conduct. In the context of halal, markets often allow violations to persist so long as there is no significant pressure from consumers or legal sanctions. Practically, there is a pressing need to integrate Islamic value systems into halal economic policy in Indonesia. This includes: (1) educating business actors based on the *maqāṣid al-syārī'ah* framework, (2) strengthening oversight mechanisms using technologies such as blockchain to enhance certification transparency, and (3) institutional reform so that bodies like BPJPH and LPPOM MUI function not only as certifiers but also as moral stewards of the halal industry.

The phenomenon of halal fraud in Surakarta serves as a microcosm of a broader national issue: the marginalization of religious values in economic practices under the

³⁷ Nila Sulistiawati, Muhammad Said, and Muniaty Aisyah, "Halal In The Contemporary Economic And Business Ecosystem," *Cakrawala Repotori IMWI* 6, no. 6 (2024): 2809–16, <https://doi.org/10.52851/cakrawala.v6i6.604>; Yuanitasari, Sardjono, and Susetyo, "The Implications of Halal Regulations in Indonesia: A Consumer Protection's Legal Perspective."

³⁸ R.A.F. Tumiwa et al., "Investigating Halal Food Supply Chain Management, Halal Certification and Traceability on SMEs Performance," *Uncertain Supply Chain Management* 11, no. 4 (2023): 1889–96, <https://doi.org/10.5267/j.uscm.2023.6.003>.

³⁹ Larissa P. Sidarto and Aditya Hamka, "Improving Halal Traceability Process in the Poultry Industry Utilizing Blockchain Technology: Use Case in Indonesia," *Frontiers in Blockchain* 4, no. December 2021 (2021): 1–8, <https://doi.org/10.3389/fbloc.2021.612898>.

dominance of a capitalist-secular system. Halal reform in Indonesia will only be successful if it addresses the ideological roots of the problem, not merely its administrative expressions. A paradigm shift is essential one that redefines halal from a mere label to a religious trust (amanah). Only through such a transformation can the principles of halalan tayyiban be truly realized in products, systems, and society.

4.4.2. Driving Factors of Halal Fraud

Field findings indicate that economic motives are the dominant driving force behind halal fraud in Surakarta, particularly among micro, small, and medium enterprises (MSMEs). The use of cheaper, uncertified ingredients such as wild boar meat, pork fat, or synthetic enzymes is primarily intended to reduce production costs. Perpetrators admitted that certified halal ingredients are more expensive and harder to access. Reports from LPPOM MUI show that limited capital, competitive pressure, and minimal state intervention in business development are the main factors contributing to halal violations.⁴⁰

Economic factors cannot be separated from the dominant ideological system that shapes them—namely, secular capitalism. This system treats cost-efficiency and material gain as the primary goals of business, without consideration for spiritual consequences, religious ethics, or *maqāṣid al-syārī‘ah* (the objectives of Islamic law). In this context, many non-Muslim business actors demonstrate indifference toward halal-haram principles, even in cases of overt violations. Field interviews revealed that some respondents stated, “As long as it tastes good and sells, whether it's halal is the Muslims' concern,” reflecting a lack of interfaith empathy.

Studies by Azizah emphasize that the low awareness of halal principles among non-Muslim business owners stems from ignorance, business pragmatism, and the absence of an inclusive educational curriculum that reflects religious diversity within the food industry⁴¹. This study broadens the scope of earlier research that tended to focus on technical and administrative issues. For instance, Fatimah and Nurdin (2021) pointed to weak regulation and lenient legal sanctions as the root problems. However, this study finds that the primary actors behind violations often lack an understanding of halal as a spiritual, rather than merely administrative, obligation—particularly among non-Muslim producers. Rizqa and Afandi (2024) noted that most producers do not understand the spiritual and psychological impacts of unlawful food on Muslim consumers, and

⁴⁰ Wresni Anggraini et al., “Adoption of Analytic Network Process To Strengthen Halal Integrity in the Broiler Chicken Supply Chain,” *International Journal of the Analytic Hierarchy Process* 16, no. 1 (2024): 1–28, <https://doi.org/10.13033/IJAHP.V16I1.1194>; Rizqa and Afandi, “Producer and Consumer Behavior towards the Consumption of Halal Food and Beverages.”

⁴¹ Siti Nur Azizah, “The Regulation of Halal Label in Non-Packaged Fast-Food Products in Indonesia Online Business,” *Malaysian Journal of Syariah and Law* 10, no. 1 (2022): 132–39, <https://doi.org/10.33102/mjsl.vol10no1.364>.

therefore do not perceive halal violations as a betrayal of religious values⁴² This finding have important theoretical implications: halal literacy must not be limited to Muslims but should become part of an interfaith business ethics curriculum in Indonesia. In a pluralistic society, multicultural education that includes halal as a component of consumer rights is an urgent necessity.

Practical implications include: mandatory halal training for all food industry actors, including non-Muslims; national standardization that incorporates empathy for religious diversity and ethical business conduct into industry guidelines; and community-based, interfaith collaborative monitoring across the halal food supply chain. Research by Titisari (2024) and Karyani et al. (2024) underscores that digital measures-such as QR code-based halal labels-will only be effective if paired with value-based education, so that producers are not only deterred by legal sanctions but also feel morally responsible.⁴³

Ultimately, these findings point to a structural failure of the secular system in safeguarding the sanctity of the halal supply chain. Partial solutions, such as regulatory revisions or digital certification, cannot address the root problem, as the capitalist-secular system will always prioritize profit over compliance. Therefore, a systemic ideological solution is required—namely, the implementation of Islam kaffah (comprehensively) through the Islamic Islamiyah system.

Under the Islamic system, food halalness is not merely a legal procedure but part of the state's duty to protect religion (*hifz al-dīn*) and public welfare. The state has direct authority to: (1) formulate regulations based on the Qur'an and Sunnah; (2) enforce shar'i penalties against fraud perpetrators; (3) ensure the distribution of halal materials; and (4) implement halal education across social classes and professions in an integrated manner. Research by Sulistiawati and Said (2024) highlights that legal fragmentation and weak political will within the secular-democratic system have resulted in a disjointed and easily compromised national halal framework.⁴⁴

In conclusion, the primary drivers of halal fraud are not only technical or economic but also ideological and moral. As long as the prevailing system treats halal as a bureaucratic matter rather than a spiritual trust, violations will continue. The only systemic path to ensure comprehensive halal compliance is the full implementation of Islam through the Islamic system, where halal is upheld as a binding religious obligation for individuals, producers, and the state alike.

⁴² Rizqa and Afandi, "Producer and Consumer Behavior towards the Consumption of Halal Food and Beverages."

⁴³ Titisari, "Motivation For Implementing Halal Standards In Ummk Food And Beverage DKI Jakarta"; Karyani et al., "Intention to Adopt a Blockchain-Based Halal Certification: Indonesia Consumers and Regulatory Perspective."

⁴⁴ Sulistiawati, Said, and Aisyah, "Halal In The Contemporary Economic And Business Ecosystem."

4.4.3. Negative Impacts on Consumers

1. Decline in Muslim Consumer Trust

The findings indicate that halal violations—such as label falsification and the use of concealed unlawful (haram) ingredients—directly contribute to a crisis of trust among Muslim consumers toward certified halal products. With over 40% of Indonesian Muslims expressing doubt about the validity of halal labels, it can be concluded that the national halal assurance system is undergoing a significant credibility degradation.⁴⁵ This crisis of trust does not emerge in a vacuum. It is triggered by regulatory inconsistencies, weak law enforcement, and business pragmatism that prioritizes cost-efficiency. In a capitalist-secular economic system, compliance is often viewed as a burden rather than a principle. This creates a strong incentive for business actors to cut costs through manipulative practices while disregarding the religious sensitivities of Muslim consumers.⁴⁶

This study extends the findings of Fatimah and Nurdin (2021), who emphasized regulatory ineffectiveness, by showing that the primary cause of declining trust stems from producer negligence. Unlike previous institutional approaches, this study highlights that the foundation of trust lies in a moral relationship between producer and consumer—one that is increasingly fragmented. Theoretically, this crisis challenges the classical model of “trust-building via certification” and underscores the importance of shared values in Islamic business ethics. Practically, it supports the need to reform halal certification by incorporating community-based social verification and blockchain-driven transparency. The societal implications are broad: the weakening of halal labels may lead Muslim communities into fear, cynicism, and spiritual alienation from industrial products.

2. Spiritual Impact: Rejected Prayers and the Corruption of Worship

The data indicate that the consumption of haram or syubhat foods has not only physical effects but also severe spiritual consequences, such as rejected prayers and diminished quality of worship (HR Muslim, HR Tirmidzi). This demonstrates that halal violations are not merely consumer issues but matters of akidah (faith). This phenomenon shows how halal violations directly undermine the *maqāṣid al-syarī‘ah*, especially in the area of *hifz al-dīn* (preservation of religion). Business actors often fail to recognize that manipulating food products does not just economically deceive consumers, but also pollutes their faith. When producers—especially non-Muslims lack this awareness,

⁴⁵ F S Firdaus, R B Ikhsan, and Y Fernando, “Predicting Purchase Behaviour of Indonesian and French Muslim Consumers: Insights from a Multi-Group Analysis,” *Journal of Islamic Marketing* 14, no. 5 (2023): 1229–59, <https://doi.org/10.1108/JIMA-05-2021-0169>.

⁴⁶ Rizqa and Afandi, “Producer and Consumer Behavior towards the Consumption of Halal Food and Beverages.”

violations occur not only due to economic motives but also due to an absence of religious empathy.⁴⁷

In contrast to Vanany et al. (2024), who focus on the logistics of the halal supply chain, this study deepens the spiritual dimension, which is often overlooked in contemporary halal industry research. Its contribution lies in asserting that halal assurance serves as a safeguard for faith, not merely a quality standard in food production. Theoretically, this reinforces the importance of integrating spiritual values into the halal supply chain framework. In practice, certification bodies should involve religious scholars and educators at every stage of the certification process. Otherwise, the system will continue to produce “certified products” that are not genuinely halal in essence.

3. Health Risks and Food Safety

The findings reveal that halal violations often involve the use of hazardous substances—such as borax, formalin, alcohol, and illegal meat—that pose direct threats to consumer health. Therefore, halal issues cannot be separated from thayyib principles, namely safety and cleanliness. The dominant motive behind the use of harmful substances is cost-efficiency and production speed. In a free market context, producers are inclined to sacrifice quality for profit margins. This is exacerbated by weak oversight of food additives and local distribution channels.⁴⁸ This study aligns with the Food Fraud Database (2022) but contributes a new perspective by linking the risks of harmful ingredients to the halal-thayyib framework, rather than framing them solely as food safety violations. It fills a gap between food science and spirituality. Theoretically, the study broadens the definition of halal under the “halal is not enough” paradigm—suggesting that halal must be holistic, encompassing health, ecology, and akidah. Practically, the government should develop a high-risk-based monitoring system (risk-based audit), particularly in regions vulnerable to food fraud.

4. Confusion and Alienation Among General Consumers

A lack of education and product transparency has led ordinary Muslim consumers to struggle in distinguishing truly halal products from those that merely bear the label. This has created passive dependency on halal symbols without critical understanding. This confusion is a direct result of the commercialization of halal labeling as a marketing tool rather than a religious guarantee. Consumers are not equipped with tools such

⁴⁷ Azizah, “The Regulation of Halal Label in Non-Packaged Fast-Food Products in Indonesia Online Business”; Sulistiawati, Said, and Aisyah, “Halal In The Contemporary Economic And Business Ecosystem.”

⁴⁸ Annisa Yasrien Algaisya and Valencia Kirana Rosadhillah, “MCDM Application on Indonesia Halal Food Development Strategy,” *Islamic Economics Methodology* 3, no. 1 (2024), <https://doi.org/10.58968/iem.v3i1.521>; Sri Herliana and Inayati Fadhilah Zulfa, “Halal Food Development Strategy: Preliminary Study,” *Proceedings of International Conference on Halal Food and Health Nutrition* 2, no. 1 (2024): 103–12, <https://doi.org/10.29080/ichaohn.v2i1.2034>.

as verification apps, and the state has yet to effectively deliver community-based halal education. Combined with a culture of instant consumption and over-reliance on visuals, consumers become victims of a system that cloaks dishonesty in religious symbols.

This study complements the findings of Lestari et al. (2021), which reported low levels of halal literacy among consumers, by adding that this confusion also stems from disinformation and information overload in product advertising. In this regard, community-based educational approaches offer an overlooked solution. Theoretically, this challenges the “informed consumer” model of modern economic theory. Practically, the state must build a publicly accessible, digital verification system (e.g., a QR-based halal tracker) and incorporate halal literacy into early formal education curricula.

The various forms of halal fraud observed in Surakarta-ranging from label falsification to the use of concealed unlawful ingredients-are not merely technical violations, but reflect a deeper structural failure within the prevailing economic and regulatory systems. Short-term solutions such as digitalizing halal certification, educating consumers and producers, and reforming oversight mechanisms remain important but are ultimately partial. Without a profound ideological shift, fraudulent practices will continue to recur. This is largely due to the dominant capitalist-secular system, which promotes a logic of efficiency and profit maximization while disregarding spiritual values, the objectives of Islamic law (*maqāṣid al-syarī‘ah*), and moral responsibility toward Muslim consumers.

In contrast, a comprehensive Islamic system offers a holistic solution that extends beyond regulatory reforms to embed values of akidah (faith), business ethics, and social justice across the entire economic chain. Within such a system, halal is not merely a legal instrument or administrative label, but a religious trust (amanah) upheld by the state, producers, and society. An Islamic state that implements this system acts as a guardian of religion (junnah), with policies rooted in the Qur'an and Sunnah-mandating cross-sector halal education, enforcing shar'i sanctions against violators, and ensuring the standardized and transparent distribution of halal materials. Halal education, furthermore, is not limited to Muslims but is extended to non-Muslim producers within a framework of ethical pluralism and interfaith accountability.

A comprehensive Islamic system also guarantees fair protection for all citizens, both Muslim and non-Muslim. It leaves no room for label manipulation or compromise on halal standards, as the law is binding and grounded in the principles of tauhid (divine unity) and universal justice. Within this system, halal is not solely a matter of consumption, but a pillar of spiritual, social, and economic integrity. It addresses the failures of capitalism to ensure consumer justice by treating halal not as a market commodity, but as a sacred value that maintains balance between individual rights and collective responsibility. Thus, a true solution to halal fraud cannot rely solely on administrative or technological systems, but must be founded upon a comprehensive Islamic framework-one that forges synergy between faith, law, and moral consciousness within society.

5. Conclusion

This study identifies the most common halal fraud practices in Surakarta: use of unlawful (haram) ingredients, falsified halal labels, cross-contamination from shared utensils, and misuse of the halal logo without certification. These reflect a weak understanding of halal-thayyib principles, economic motives to cut costs, limited access to certified ingredients, and low interfaith empathy among non-Muslim producers. The result is declining consumer trust, spiritual harm, and threats to the credibility of halal certification. More broadly, halal fraud is not merely a regulatory issue—it stems from deeper structural failures in Indonesia's capitalist-secular system, which prioritizes profit over spiritual and ethical values. Halal labeling is often seen as formality rather than moral responsibility (amanah). When religious principles are separated from business practice, violations persist despite regulation. Unlike prior studies focused on MSME ignorance or regulatory weakness, this research emphasizes the conscious moral disengagement of producers. It highlights the need for a halal system grounded not only in certification but also in ethical awareness and ideological alignment. While the study is limited to Surakarta and qualitative in nature, it proposes several practical steps: mandatory halal-thayyib training, improved regulatory oversight, digital verification, and multicultural education campaigns promoting halal as a universal consumer right. However, lasting change requires systemic reform. A comprehensive Islamic governance model-guided by *maqāṣid al-syarī‘ah* could ensure integrity, clarity, and justice in halal food systems, benefiting both Muslims and non-Muslims by embedding spiritual accountability into economic life.

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