Literacy Training of Halal Food for SMEs as the Opportunity to Penetrate the Global Market

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Abstract

This community service activity is entitled "Interactive Course Training Using Powtoon Software for Teachers of Al Ihsan School Jakarta". The targets of this activity are teachers of Al Ihsan School, and conducted through a Zoom meeting. During the training program, they are explained regarding how to create an interactive course material with powtoon software. Participants would also receive training modules and prizes. The benefit of this training activity is to familiarized the teachers with an alternative software that facilitates interactivity between them and the students. Evaluation would be conducted by monitoring the teachers at work.

INTRODUCTION

Situation Analysis

The Indonesian SMEs provide the largest portion on the amount of various business enterprises for more than 60 million. This figure accounts for 99% of Indonesia's business landscape, while the remaining 1% belongs to Major business enterprises. Accordingly, SMEs are able to accommodate almost 97% of workforce, which contribute to 61% of GDP. However, SMEs contribution for export goods only accounted for 3%, dwarfed by the Major enterprises' contribution at 86%.

Such condition become more challenging for SMEs since the spread of COVID-19. As a global Pandemic, COVID-19's impact on economy had adverse consequence with the GDP decrease of 2.3% among developing countries. As a result, around 29 million workforces in Indonesia are threatened and, thus, might increase unemployment and risen the poverty level. Most notably, the most vulnerable workforce are those with the lowest income cohort at less than IDR 1.8 million/month, where they experienced a decrease of more than 70% of their income along the period of 2020-2021. Following the discussion, it is apparent that efforts are required to boast SMEs' potential to increase the country's GDP and its potential to absorb the most vulnerable workforce.

Halal industry provide several opportunities that in line with the current situation of Indonesia's SMEs. For instance, the global value of hold industry is estimated around USD2 trillion, and forecasted to grow at USD 3 trillion by 2024. Specifically, Halal food sector represents for 39% of global consumer spending, and expected to further increase by 2024 at 3.5%. Among other halal industry sectors, halal food consumption trend remains stable, albeit the pandemic, which dropped for only 0.2%. This indicates that the demand on hold food products remain high on global level.
Apart from the growing Muslim population worldwide, several factors contribute to the high demand of halal food, such as:

- Firstly, halal is no longer limited to religion prescription but signifies quality, safety, and hygiene attributes of a product with stringent procedure of audit and control.
- Secondly, halal is perceived as a healthier choice for food products.
- Finally, the official halal certifications in each country are globally acknowledged, which enable the penetration on international markets, including Indonesian halal certificate.

Drawing from the above discussion, halal food sector provides the opportunity for SMEs to optimize its potential regarding its GDP contribution and workforce absorption during the COVID-19 pandemic. Nevertheless, despite the national halal industry is outlined on the Indonesian Sharia Economy Masterplan 2019-2024, Halal literacy remain lacking. Most notably, knowledge related to the business value of halal food on the global level. What is more, as the most populated Muslim country, Indonesia remains considered as consumer market, as opposed to the supplier of halal food.

Against this background, the current community service activity would conduct an interactive training related the role of SMEs to improve the Indonesian GDP, absorb workforce, and embrace the opportunity to penetrate the international market with the literacy of halal food product. As such, the title of the current community service is "The literacy of Halal food for SMEs as the opportunity to penetrate the global market."

**Partner’s Problem**

Lack of knowledge regarding the halal food business value on global level.
Lack of knowledge related to important attributes that are captured within halal food product.

**IMPLEMENTATION METHOD**

**Goals of Targets**

The target in this activity are SMEs of Kembangan Selatan, consisting of various business enterprises, such as food, fashion, and cosmetics.

The implementation method used in this activity is in the form of training. SMEs would be invited through a Zoom meeting, where presentation and training would also be held. The material provided will cover the following:

1. Introduction to the halal industry and halal food product attributes.
2. Answering the question sheet
3. Evaluation of activities.

**Purpose of Activities**

This activity aims to provide training to enhance the halal food literacy to increase GDP and absorb workforce on the SMEs context.
Benefits of Activities
The benefit of this training activity is to familiarized and stimulate the SMEs on the opportunity provided by the halal industry, especially halal food. Furthermore, with literacy on halal industry and halal food, SMEs have the opportunity to penetrate the international market where the demand on halal food products are predicted to grow.

Framework for Troubleshooting
COVID-19 had a devastating impact toward the economy, and many workforces have lost their jobs which might increase the poverty rate. SMEs have a crucial role to restore the economy as the growth of halal industry is predicted to rise until 2024. Literacy is the key component for SMEs to understand the requirement of halal products and the opportunity to penetrate international market. In particular, halal food sector remains stable during the pandemic, indicating the steady demand of halal food products from both domestic and international level.

Halal food has considered as more than religious prescription for Muslims, into a globally valued business industry. With stringent procedure of audit and control, halal food signifies quality assurance not just for Muslims, but include the non-Muslim consumers. Literacy of halal food products would include its product attributes encompassing health benefits, animal welfare, packaging, labelling, and human resource. Together, these product attributes allow the halal food product to become valuable which triggers high demand on the global level.

Evaluation Design
Participants will be given a quiz prior to the training program. Next, after training, the participants would be shared an evaluation form using the google form platform. The evaluation form contains questions that the participants should finished at the end of the session, related to halal industry and halal food product attributes literacy. Afterwards, the score prior to training and after training would be compared to assess participants’ comprehension of the community service theme.

RESULTS AND DISCUSSION
This community service activity was held on February 25, 2022 via Zoom platform and was attended by 97 participants consisting of entrepreneurs, and college students. The partner from Universiti Malaysia Terengganu, Dr. Abdul Hafiz Ngah also attended this activity. The Community service activities produce increased knowledge about the Halal food literacy to create opportunity for global business penetration. Also, to increase employment during the covid-19 pandemics for the SMEs industry. During Question-and-Answer session, students and entrepreneurs are involved in discussion. It mainly related with how to run halal-certified business, from obtaining halal certification until distribution. It is hoped that participants are an adequate level of literacy related to halal-certified business, to improve the SMEs’ business performance during the pandemic.
CONCLUSION AND SUGGESTION

CONCLUSION

SMEs are struggling during this pandemic era where slow growth are hampering the local business. Employment also decreasing, which caused further problem form SMEs. As a result, decrease of income is inevitable where the majority of Indonesian consumers limited their spendings. This situation is particularly faced by SMEs in Jakarta as the entrepreneurs have to keep up with both abiding the covid-19 protocols and to maintain their business performance as effectiveness as possible, coupled with maintaining their employee’s’ well-being. Despite such setbacks, halal-certified business has the potential to provide a solution that enables the SMEs in Jakarta to create business opportunity, that might even compete on the global level. Although the sectors in the halal industry are slow in growth and tend to decline, the halal food sector remain the most stable on both characteristics during the pandemic. Such trend indicates that spending on food products become the priority among the Jakarta consumers. Additionally, the demand of halal-certified products remains high, particularly on Islamic countries. Further, the halal-certified products are also demanded by consumer from non-Islamic countries, indicating that the product has evolved beyond only to fulfill the religious prescription, into a global lifestyle that value health and social attributes. Accordingly, such high demand on global level would provide an excellent opportunity for the SMEs to pursue an effective business, and also to increase the numbers of halal-certified food products that are still lacking in Indonesia.

SUGGESTION

This community service only covers the general trend and literacy related to the halal-certified products. Future community service activities could elaborate more topics on halal food industry, such as the production process that involves international procedure of HACCP and GMP.

REFERENCES


