

# HALALSPHERE

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## Islamic public value of halal certification acceleration program: A case study of policy practice by the East Java Provincial Government, Indonesia

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Received: 28/1/2026

Accepted: 5/3/2026

Published: 31/7/2026

### Abstract

This study aims to explore Islamic Public Value as the driving force behind the East Java Provincial Government's policy to accelerate halal certification, based on the Neo-Weberian State public administration paradigm. This research approach is qualitative, with an exploratory case study design, to understand in depth the dynamics of values and themes arising in the policy context. Data collection techniques included in-depth interviews, document analysis, and participatory observation. The data were analysed thematically to identify patterns of values that emerged during policy implementation. The results show that there are patterns of Islamic public values articulated in three main themes: (1) the application of Islamic *Shari'ah* principles in public services which is reflected in the government's commitment to ensure halal products in accordance with *Shari'ah* principles, (2) strengthening social cohesion through collaboration between stakeholders where this policy serves as an instrument to strengthen the solidarity of Muslim communities through guaranteeing halal consumption, and (3) social respect and encouragement of non-material motivations that emphasize moral-spiritual aspects such as justice, transparency, and social responsibility in policy implementation. These findings show that the policy of accelerating halal certification is not only oriented towards administrative interests, but also enriches the dimensions of public value derived from Islamic values. This research is expected to make a conceptual contribution to the development of public value studies in policy and to offer practical implications for the formulation and implementation of value-based policies at the local government level.

**Keywords:** Islamic Public Value; Islamic Public Administration; Halal Certification Policy (East Java)

### 1. Introduction

Indonesia, as the third-largest Islamic economy in the world, has made significant progress in halal food indicators across various areas, including income, national and international trade, operations, ecosystem, social impact, innovation, and opportunities (SGIE, 2023). The State of the Global Islamic Economy Report (SGIE/SGIER) is an annual report that examines the development of the Islamic economy in various countries, focusing on six key indicators: Islamic finance, halal food, Muslim-friendly tourism, modest fashion, media and recreation, and halal pharmaceuticals and cosmetics. In 2022, Indonesian Muslim consumer spending on halal food and beverages increased by 9.6%, reaching US\$1.4 trillion, up from US\$1.28 trillion in 2021. Although Indonesia is the largest market in terms of expenditure and ranks first among Organization of Islamic Cooperation (OIC) countries as an importer, with a value of US\$25.82 billion, its export position remains in fifth place, with a value of US\$13.13 billion (Maryuliano, 2024). This highlights both the potential and the challenges in optimizing Indonesia's role in the global halal economy.

Despite ranking third in the Islamic economy, Indonesia is only 10th among halal producers, with 12.6% of the halal food industry still relying on imports. Data from the Halal Product Guarantee Agency (BPJPH) in 2022 shows that only 749,971

out of 30 million business products have halal certification. Ironically, the world's largest halal producers are dominated by non-Muslim countries such as Brazil and Australia. The global halal market has enormous potential, projected to reach 3.2 trillion US dollars by 2024, driven by the growth of the global Muslim population. However, Indonesia's limited domestic production capacity, despite support from halal regulations and infrastructure, remains the main obstacle to meeting domestic demand and competing in the global market (Romadhon, 2024). Indonesia has implemented mandatory halal certification for all products circulating in Indonesia through Law No. 33 of 2014 on Halal Product Guarantee (Hambali, 2020; Najiyah, 2016). This regulation applies to both domestic and imported products, aiming to protect Muslim consumers (Syafri & Hartati, 2019). The Halal Product Guarantee Agency (BPJPH) oversees the certification process, collaborating with other government agencies such as the Food and Drug Supervisory Agency (BPOM) to ensure compliance (Saviera, 2024). For imported products that already have halal certification from countries with mutual recognition agreements, registration with BPJPH is required to obtain a halal registration number (Syafri & Hartati, 2019). Although this mandatory certification is in line with the Agreement on Technical Barriers to Trade, it is important to ensure it does not create unnecessary trade barriers. As of 2023, the number of halal-certified products stands at 1.42 million products (Hambali, 2020).

The East Java Provincial Government has demonstrated a strong commitment to promoting the development of the halal industry through accelerated halal certification for businesses. A total of 252,490 halal certificates have been issued, with 98.52 percent of them granted to Small and Medium Industries (SMIs) in 2024. This step shows significant growth, with an increase of 38.14 percent or an addition of 96,302 halal certificates since October 21, 2023, when the number of new certificates reached 156,188 (Suara Surabaya, 2024). This achievement not only reflects the success of the halal certification acceleration policy at the regional level but also opens the door to examining the Islamic public values embedded in the policy, based on the Neo-Weberian State paradigm. The East Java Provincial Government serves as a concrete example of the accelerated implementation of the halal certification program. By 2024, the East Java Provincial Government had issued a total of 252,490 halal certificates, with 98.52 percent allocated to Small and Medium Industries (SMIs). This figure represents an increase of 38.14 percent from the previous total on October 21, 2023, which stood at 156,188 certificates. This achievement not only reflects the government's seriousness in facilitating compliance with halal standards but also demonstrates the state's active role in supporting economic growth rooted in Islamic values.

Islamic Public Value (IPV) in this study is conceptualized not as a fully mature grand theory, but rather as a developing normative-analytical framework in the study of Islamic public administration. While the classical Public Value theory, developed by Mark Moore, focuses on value creation through democratic legitimacy, operational capacity, and public authorization, Islamic Public Value expands this perspective by grounding value creation in Islamic epistemology, particularly the integration of governance and belief.

Following Drechsler *et al.* (2024), IPV is understood as a conceptual framework that identifies how Islamic principles—such as *maslahah* (public welfare), *amanah* (honesty), and *maqasid al-shari'ah*—influence public administration practices. Therefore, IPV in this study functions as: (1) A normative framework, as it provides value-based criteria derived from Islamic teachings; (2) an analytical lens, as it is used to interpret empirical findings related to the implementation of halal certification policies; (3) A contextual governance model, when integrated with the Neo-Weberian State paradigm. IPV is not considered a stand-alone predictive theory, but rather a value-oriented analytical approach that helps explain how religious norms are institutionalized in modern bureaucratic governance.

In this context, it is important to view halal certification policy not only from a legal and administrative perspective, but as a manifestation of Islamic Public Values. This approach emphasizes integrating *Shari'ah* principles and public interests into state policy. Three aspects of Islamic Public Values must be considered, with this study focusing on: (1) *Shari'ah* Implementation, which is reflected in the strengthening of the halal product assurance system; (2) Social Cohesion, which is built through collective community participation in halal practices; and (3) Social Respect and Non-Material Motivation, which is seen in the increasing ethical awareness of business actors in prioritizing religious and moral values, rather than merely economic profit orientation (Drechsler *et al.*, 2024). These three aspects represent the three axes of Islamic public values: in theory and practice, in space and time, and in governance and belief (Drechsler *et al.*, 2025). Furthermore,

this policy can be analysed through the Neo-Weberian State (NWS) paradigm, which combines the characteristics of classical Weberian bureaucracy, such as professionalism, legality, and formal rationality, with the need for public participation and responsiveness to local values. Within the NWS framework, the state is not only the holder of formal legal authority but also an active agent of values that facilitate public will, shaped by society's socio-cultural characteristics (Bouckaert, 2022). Therefore, the halal certification policy in East Java can be understood as a state practice of institutionalizing Islamic values into modern bureaucratic governance.

This study describes, understands, and analyses in detail the implementation of Islamic values in public administration policies and practices, reviewed from the concept of the evolution of the Neo-Weberian State paradigm. The findings of this research are expected to enrich academic understanding of Islamic Public Administration and Islamic Public Value as a contextualization of governance within the principles of the Neo-Weberian State, provide new perspectives on the integration of Islamic values into public administration, and serve as a reference for the development of more contextual theories and practices of public administration.

### 1.1 Neo-Weberian State

The Neo-Weberian State (NWS) bureaucratic reform framework model developed by Pollitt & Bouckaert is a recommended guide for developing countries, because classical Weberian bureaucracies are organized according to generally defined standards, while NWS ensures the three core functions of the “whole-of-government” strategy in the context of “whole society” context, namely: the provision of inclusive and fair services, resilient crisis management, and effective innovation for government and society (Bouckaert, 2022)—the ability and decision to comply with the law. Moreover, bureaucratic issues in developing countries need to be addressed (Hanafie, 2017). In an increasingly globalized world, the government's response to social change will rely on established methods until society decides it is time for fundamental change. Moreover, only then will the functions of the state, not its tools, be evaluated against the laws or values under which those institutional functions are carried out (Lynn Jr., 2008).

The Neo-Weberian State (NWS) framework is essential in this study because halal certification is not merely a religious practice but a formally institutionalized public policy embedded within a rational-legal administrative order. While Islamic Public Value (IPV) provides the normative foundation for governance grounded in Islamic epistemology, it does not, by itself, fully explain how religious values are operationalized within bureaucratic systems (Drechsler *et al.*, 2023). As part of the emerging research agenda in Islamic Public Administration, IPV is conceptualized as a normative-analytical framework rather than a predictive grand theory (Drechsler *et al.*, 2023).

The Neo-Weberian State paradigm provides the necessary institutional lens to analyse this transformation. The NWS model emphasizes the continued centrality of the state, the reaffirmation of legal-rational authority, professionalized bureaucracy, and a renewed public service orientation (Bouckaert, 2007; Pollitt & Bouckaert, 2011). Unlike New Public Management, which prioritizes market logics and

managerial efficiency, NWS restores the state's strategic and coordinating role while incorporating citizen-oriented responsiveness.

In the context of halal certification in Indonesia, Islamic legal norms are translated into standardized procedures, audit mechanisms, regulatory oversight, and inter-agency coordination involving institutions such as the Halal Product Guarantee Agency (BPJPH) and the Indonesian Ulama Council (MUI). This institutional arrangement illustrates how religious principles are bureaucratically formalized within a modern administrative state. The Neo-Weberian State framework is particularly relevant because it explains how Islamic Public Value is not only normatively articulated but structurally embedded in governance practice. This study thus argues that in Muslim-majority contexts, the Neo-Weberian State does not necessarily secularize governance; rather, it may function as an institutional vehicle through which religiously grounded public values are rationalized, standardized, and implemented within the state apparatus.

## 1.2 Islamic public value

Islam has a significant and crucial impact on how public spaces are organized and managed, challenging the dominant Western view that religion and public administration should be separated. Islamic principles and values are inherently linked to public administration and the common good, and Islamic public administration is fundamentally based on fulfilling divine expectations and achieving sacred goals, rather than being separate from religion. This can be seen in three dimensions: in theory and practice, in space and time, and in governance and faith (Drechsler *et al.*, 2024).

Islamic Public Value (IPV) emerges within the broader research agenda of Islamic Public Administration as an effort to systematically integrate Islamic epistemology into contemporary public administration theory (Drechsler *et al.*, 2023). Rather than constituting a fully consolidated grand theory, IPV is more appropriately conceptualized as a normative-analytical framework that examines how Islamic moral principles shape the creation, institutionalization, and evaluation of public value within governance systems. The conceptual roots of IPV may be traced to classical Public Value theory developed by Mark Moore (1995), which emphasizes value creation through democratic legitimacy, operational capacity, and public authorization. However, Islamic Public Value departs from Moore's predominantly secular-democratic foundation by grounding the notion of public value in Islamic ontology and epistemology. In this perspective, public value is not derived solely from aggregated citizen preferences or procedural legitimacy, but from alignment with divine guidance (*wahy*), the objectives of Islamic law (*maqasid al-shari'ah*), and the pursuit of collective welfare (*maslahah*) (Drechsler *et al.*, 2023).

Drechsler *et al.* (2023) position Islamic Public Administration and Islamic Public Value within a non-Western governance paradigm that integrates spiritual accountability with bureaucratic legitimacy. Expanding this argument, Hariani and Soegiono (2025) demonstrate that Islamic Public Administration represents a morally grounded yet administratively legitimate governance model, particularly visible in faith-based community services that operate alongside or in support of state institutions. They argue that Islamic governance traditions emphasize justice, compassion,

and social responsibility as foundational principles for public administration, and that faith-based actors function not only as social agents accountable to society but also as moral agents accountable before God. This dual accountability reinforces ethical discipline, transparency, and service orientation within public administration practice. Their analysis further shows that Islamic governance frameworks do not inherently promote exclusivism; rather, they often produce inclusive social services that transcend religious boundaries, thereby strengthening social cohesion and public trust in multicultural settings.

In this light, Islamic Public Value encompasses both material and non-material dimensions of governance outcomes. It reflects the institutional translation of *Shari'ah* principles into formal administrative mechanisms, the promotion of collective welfare and social justice, and the generation of moral recognition and dignity among policy beneficiaries. Hariani and Soegiono (2025) emphasize that Islamic Public Administration is capable of balancing sacred values with modern administrative demands such as accountability, performance, and professional ethics, thereby offering an alternative paradigm to purely secular governance models. This perspective aligns with Drechsler *et al.* (2023), who argue that Islamic Public Administration should not be understood as a theological replacement for modern bureaucracy, but as a research agenda that integrates Islamic ethical commitments into contemporary governance structures.

Importantly, Islamic Public Value must be distinguished from broader discussions of Islamic political theory or macro-level Islamic governance models. While Islamic political thought often focuses on state legitimacy, sovereignty, or historical caliphate structures, Islamic Public Value concentrates specifically on how values are created, justified, and operationalized within concrete public policy processes. It functions as a bridge between normative Islamic ethics and empirical public administration analysis, allowing scholars to examine how religiously grounded principles are rationalized, standardized, and embedded within modern institutional arrangements. In this sense, Islamic Public Value provides a structured analytical lens for understanding how Islamic moral commitments coexist with and shape contemporary administrative practice.

## 1.3 Halal certification acceleration program

The Free Halal Certification Program constitutes one of the operational instruments within Indonesia's broader Halal Certification Acceleration Policy framework. This program is administered by the Halal Product Guarantee Agency (BPJPH) under the Ministry of Religious Affairs. It is specifically designed to facilitate halal certification for micro and small enterprises (MSEs). Under this scheme, business actors may obtain halal certification in the self-declaration (Self Declare) category, in which compliance with halal standards is affirmed by the business operator and verified through a regulated administrative process. The program is legally grounded in BPJPH Head Decision No. 33 of 2022, which provides technical guidelines for assisting the halal product process and determining certification obligations for micro and small enterprises based on self-declaration mechanisms (Kominfo Jatim, 2023).

As part of the acceleration policy, the Free Halal Certification Program seeks to reduce financial and administrative barriers

that often prevent small enterprises from entering the formal halal certification system. Certification is expected to strengthen consumer trust and expand marketing networks, particularly among Muslim consumers who prioritize halal compliance (Epriliyana, 2019). Beyond market expansion, formal certification also enhances a business's legal standing, thereby improving access to financial capital and institutional support (Yuwita *et al.*, 2021). From a regulatory perspective, business legality further provides legal protection and clearer accountability structures (Anugrah *et al.*, 2021). In the specific context of halal certification, however, the policy is not solely economic in orientation; it is also intended to provide moral and religious assurance to halal consumers, reinforcing confidence that products comply with Islamic principles. This normative dimension of value creation will be explored further in the subsequent discussion.

## 2. Research methodology

This study employs an exploratory qualitative case study design to examine how Islamic Public Value (IPV) is articulated and institutionalized within the halal certification acceleration policy framework in East Java. An exploratory qualitative approach is appropriate when research seeks to understand complex institutional processes, normative dimensions, and value-based motivations embedded in public policy implementation. Such an approach allows the researcher to capture the interaction between regulatory structures, religious authority, and socio-economic actors within a specific governance context (Creswell & Creswell, 2018). A single-case design was selected to enable in-depth contextual analysis of East Java Province, which has demonstrated significant progress in halal certificate issuance and institutional coordination within Indonesia's halal governance system.

The field research was conducted between February and June 2025 in East Java Province. The province was selected purposively due to its leading position in halal certification implementation and its active provincial facilitation programs targeting micro and small enterprises. Focusing on a single region allowed for analytical depth in examining how Islamic Public Value components are operationalized through bureaucratic procedures and multi-actor collaboration within a Neo-Weberian institutional setting. A purposive sampling strategy was used to ensure participants had direct knowledge and involvement in halal certification governance. A total of 10 informants participated in this study. These consisted of one official from the Provincial Cooperative and SME Agency responsible for facilitation programs, one representative from the Provincial Halal Task Force (regional office of BPJPH) as regulatory authority, one representative from the East Java branch of the Indonesian Ulama Council (MUI) as the substantive issuer of halal *fatwas*, one representative from a Halal Inspection Body (LPH) responsible for technical audits, and six SME actors who had participated in the self-declare certification scheme. Participants were selected based on three criteria: direct involvement in the implementation of halal certification, a minimum of 1 year of program engagement, and willingness to participate in recorded interviews. This selection ensured that institutional, regulatory, and beneficiary perspectives were adequately represented.

Data collection was conducted using three primary techniques: semi-structured in-depth interviews, document analysis, and participatory observation. Interviews lasted between 60 and 90 minutes and were guided by a protocol covering five thematic

areas: the perceived purpose of halal certification policy, motivations behind SME participation, institutional coordination mechanisms, perceived public value outcomes, and implementation challenges. All interviews were recorded with participant consent and transcribed verbatim for analysis.

Document analysis involved reviewing regulatory and institutional materials relevant to halal certification governance. These included BPJPH Head Decision No. 33 of 2022, provincial facilitation reports, halal certification statistical data, institutional coordination documents, SIHALAL platform documentation, and official public communications. Documents were selected based on their relevance to policy design, implementation mechanisms, administrative procedures, and distribution of institutional authority. This analysis enabled the researcher to trace how *Shari'ah* principles were translated into bureaucratic rules and administrative instruments.

Participatory observation was conducted during halal certification facilitation sessions, socialization programs, halal festivals, verification processes, and coordination meetings among institutional actors. The researcher observed administrative workflows, interactions between government officials and SME actors, and the framing of halal certification in economic, regulatory, and religious terms. Field notes were systematically recorded after each session to capture contextual dynamics and non-verbal interactions that complemented interview data.

Data analysis was conducted through a thematic analytical strategy following Braun and Clarke's six-step framework: familiarization with the data, initial coding, theme identification, theme review, theme definition, and analytical interpretation (Ahmed *et al.*, 2025). The analysis began with a comprehensive review of the entire dataset, including interview transcripts, field notes, and institutional documents. Data were segmented into meaningful analytical units and coded to identify recurrent patterns related to values, motivations, institutional roles, and governance mechanisms. These codes were then clustered into broader thematic categories.

The analytical strategy combined deductive and inductive logic (Tengku Kasim & Mansor, 2021). Deductively, the Islamic Public Value framework and the Neo-Weberian State perspective were used as theoretical lenses to guide initial coding and interpretive orientation. Inductively, empirical data were allowed to generate emerging value components and contextual insights, which were subsequently compared with theoretical constructs to ensure coherence and analytical consistency. Through this iterative process, three major value components were identified and analytically linked to institutional mechanisms within halal certification governance.

To enhance credibility and trustworthiness, several validation strategies were applied. First, data triangulation was conducted by comparing findings from interviews, documents, and observations across institutional sources. Second, member checking was undertaken with selected participants to confirm interpretive accuracy. Third, peer debriefing was conducted with two public administration scholars to evaluate analytical logic and thematic coherence. Finally, an audit trail documenting coding decisions and analytical steps was maintained to ensure transparency and methodological rigor. Through this systematic and transparent procedure, the study

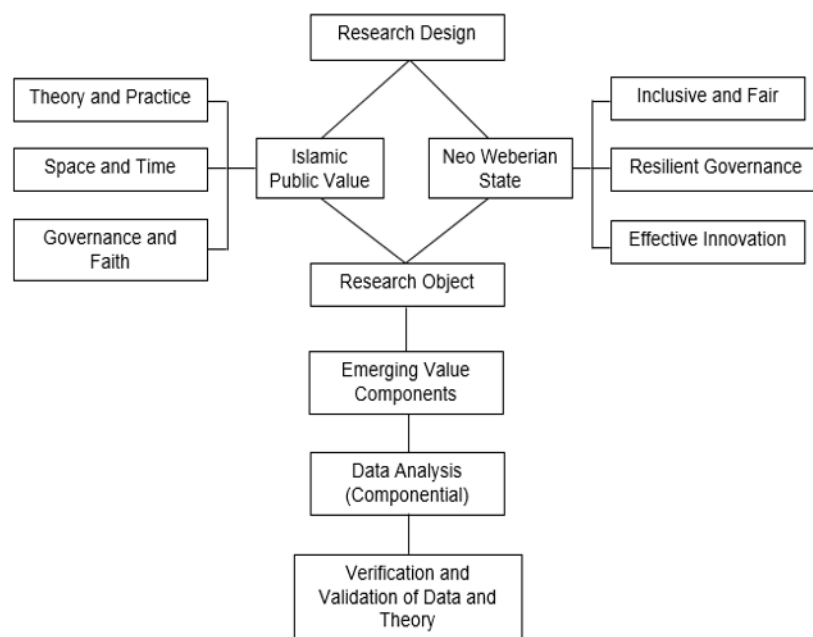


Figure 1: Research method process framework.

ensures analytical depth in examining how halal certification policy functions not merely as a regulatory instrument but as a governance arena where Islamic Public Value is institutionalized within a Neo-Weberian bureaucratic structure.

### 3. Results and discussion

#### 3.1 Finding

The three thematic components presented in this study were not predetermined categories but emerged through a structured deductive–inductive analytical process. During the first stage of analysis, field notes and policy documents were repeatedly read to identify recurring patterns in motivations, institutional roles, and value expressions. Open coding generated initial labels such as “spiritual responsibility,” “*fatwa* compliance,” “consumer assurance,” “institutional synergy,” “religious legitimacy,” and “government facilitation.” In the second stage, these codes were grouped into broader analytical clusters based on conceptual similarity. The clustering process revealed three dominant value orientations consistently appearing across data sources: (1) institutionalization of *Shari’ah* principles, (2) collective trust and social solidarity, and (3) moral recognition and non-material motivation. These clusters were then interpreted through the analytical lens of Islamic Public Value (IPV) and examined in light of the structural characteristics of the Neo-Weberian State (NWS).

From the data collection process using document analysis and direct observation, it became evident that religious considerations and the influence of local religious figures significantly shaped the implementation of halal certification policy in East Java. Observations conducted in the halal culinary zones initiated by the provincial government showed that many small- and medium-sized industry players expressed a willingness to participate in certification, not merely for market expansion but also to ensure religious compliance.

Several business actors explicitly framed certification as a form of accountability to Islamic *fatwas* and as a manifestation of obedience to halal prescriptions. These empirical patterns were systematically categorized into the three main components of Islamic Public Value discussed below.

#### 3.1.1 Application of Islamic law

The first theme emerged from recurring references to religious obligation and institutional enforcement of halal norms. Interview transcripts and policy documents consistently indicated that the acceleration of halal certification represents a state effort to formalize *Shari’ah* principles within a modern regulatory framework. The involvement of the Indonesian Ulama (MUI) of East Java as the substantive authority issuing halal *fatwas*, alongside Halal Inspection Bodies (LPH) conducting technical audits under the Halal Assurance System standards, demonstrates how religious doctrine is translated into administrative procedure. This religious orientation was strongly reflected in the statements of SME actors. One SME participant stated:

*“...For us, halal certification is not only about market access. It is about ensuring that what we sell is religiously accountable before Allah. Profit is important, but barakah is more important...” (Interview, SME-3, March 2025).*

This statement illustrates that certification is perceived not merely as regulatory compliance but as a spiritual act of accountability. The emphasis on barakah (divine blessing) indicates that economic rationality is intertwined with theological considerations.

At the institutional level, government actors explicitly acknowledged the translation of religious norms into bureaucratic mechanisms. An official from the East Java Halal Task Force emphasized:

*“...Our role is to translate religious fatwas into administrative systems. Certification is where Shari’ah principles meet bureaucratic procedures...” (Interview, Gov-2, February 2025).*

This statement provides direct empirical evidence of how *Shari’ah* norms are operationalized through standardized administrative procedures. Field observations during verification sessions further showed structured documentation review, inspection of production processes, and formal issuance mechanisms. These practices reflect Neo-Weberian State characteristics, particularly the reliance on rule-based authority and legal-rational bureaucracy. However, unlike secular regulatory systems, the substantive content of these procedures is derived from Islamic legal principles.

The application of Islamic law within the halal certification policy is not inferred normatively but grounded in empirical expressions from both SME actors and state officials. The data demonstrate that *Shari’ah* institutionalization operates simultaneously as moral guidance and administrative governance, aligning with the Islamic Public Value dimension of protecting religion and ensuring public welfare (*maslahah*).

### 3.1.2 Social cohesion

The second theme was derived from codes related to trust, collaboration, and collective participation. Observations during facilitation programs and coordination meetings revealed structured cooperation between the Provincial Cooperative and SME Agency, the Halal Product Guarantee Agency (BPJPH), MUI, LPH institutions affiliated with universities, and SME communities.

During observation at a halal culinary zone, several business actors expressed that displaying the halal logo increased customer trust. One participant noted:

*“Customers ask less when they see the halal logo. It builds immediate trust.” (Field note, April 2025)*

This field note demonstrates that the halal label functions as a visible trust mechanism in socio-economic interactions. Certification reduces transactional uncertainty and strengthens relational confidence between producers and consumers. The halal logo thereby transcends administrative labelling and becomes a symbol of collective assurance grounded in shared religious values.

Policy documents further emphasize cross-sectoral facilitation and collaborative governance as implementation strategies. This inter-institutional synergy reflects Neo-Weberian State characteristics, where central authority is maintained while participatory engagement is encouraged. The data show that halal certification creates a governance ecosystem in which public institutions and society interact through shared normative commitments. Social cohesion is not assumed theoretically but observed empirically through patterns of trust-building, collaborative facilitation, and symbolic value attached to halal certification in everyday economic practice.

Findings in the field indicate that economic activities in this halal ecosystem are not isolated but are embedded in the community’s religious norms and traditions. This concept of

embeddedness shows that economic and political power is subject to a set of social norms, where decisions to produce or consume halal products become part of daily religious practices. As a result, the halal certification policy is not only a government instrument but also an arena for the community to assert its religious identity. This process creates an environment in which Islamic values become an inherent part of public administration itself, in line with the idea that Islamic public administration is fundamentally linked to the achievement of the common good (*maslahah*).

### 3.1.3 Social respect and non-material motivation

The third theme emerged from repeated references to dignity, moral recognition, and spiritual intention. Although policy documents highlight economic benefits such as market expansion, interview data reveal that non-material motivations play a central role in participation.

A senior SME owner explained:

*“...Obtaining halal certification gives us dignity. People see us as entrepreneurs in the midst of a Muslim majority who are responsible for what we sell...” (Interview, SME-5, March 2025)*

This statement indicates that halal certification enhances not only product legitimacy but also social standing. Certification is interpreted as moral validation within the community. The concept of dignity (*martabat*) suggests that religious compliance is associated with reputational capital and ethical credibility.

Additional interview data showed expressions such as “seeking Allah’s pleasure” and “fulfilling responsibility as Muslims,” reinforcing that spiritual motivations are primary drivers of participation. These empirical findings demonstrate that public policy effectiveness in religiously embedded societies depends on alignment with deeply internalized value systems.

From a Neo-Weberian perspective, this reflects governance that derives legitimacy not solely from formal authority but from normative resonance with societal ethics. Within the Islamic Public Value framework, this dimension represents governance rooted in faith-based accountability, where compliance emerges from moral consciousness rather than purely instrumental cost-benefit calculations.

Halal certification policies can be interpreted as a form of official recognition and respect by the state for the religious identity of its citizens, particularly in protecting the rights of Muslim consumers. For SME actors, having a halal certificate not only enhances product image but also significantly provides “social respect” and moral legitimacy within society. The status of being a verified halal producer elevates their social standing. This process is accelerated by the active role of community leaders and local officials who promote halal certification. When leaders advocate for this policy, they serve as enablers, reinforcing the value of social respect and transforming halal certification into a widely valued and followed social norm.

### 3.1.4 Component analysis

This section does not merely restate the empirical findings presented earlier but provides a second-level analytical interpretation of the results discussed in the Component Analysis section. While the previous section identified three core components of Islamic Public Value emerging from the data—namely the institutionalization of *Shari'ah* principles, social cohesion, and social respect with non-material motivation—this part advances the discussion by situating those components within a broader theoretical and governance framework. In other words, the findings section identified the values that emerged from the data. In contrast, this section explains how and why those values operate within the Neo-Weberian State structure and contribute to the construction of Islamic Public Value in policy practice. This discussion functions as an analytical extension rather than a repetition, deepening the interpretation by linking empirical patterns to conceptual arguments and governance theory.

Table 1: Overview of the implementation of halal certification services policy on Islamic public value components

| Main Axis of IPV    | Form of Service or Implementation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Value Components              |
|---------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|
| Theory and Practice | <ul style="list-style-type: none"> <li>- Coordination and guidance based on <i>fatwas</i> for all Halal Inspection Institutions (LPH) in East Java by the East Java MUI.</li> <li>- Mapping of products and socialization of the Halal Product Assurance System (SJPH) by the East Java Regional Office of the Ministry of Religious Affairs' Halal Task Force.</li> <li>- Provision of the PUSAKA and SIHALAL platforms to facilitate halal certification registration with a self-declaration system.</li> </ul> | Implementation of Islamic Law |
| Space and Time      | <ul style="list-style-type: none"> <li>- Establishment of halal culinary areas in regencies/cities in East Java.</li> <li>- Assistance for tourism awareness groups to accelerate the certification of MSMEs in tourist areas in East Java, by the East Java Culture and Tourism Office.</li> </ul>                                                                                                                                                                                                                | Social Cohesion               |

|                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                          |
|----------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|
|                      | <ul style="list-style-type: none"> <li>- Cooperation between the East Java Halal Task Force and Islamic community organizations and universities to assist in the halal product certification process.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                     |                                          |
| Governance and Faith | <ul style="list-style-type: none"> <li>- Halal Certification Program for micro and small businesses with an evaluation mechanism for honesty, religious intent, and social empowerment through a developed system (SIHALAL).</li> <li>- East Java Halal Industry Festival and halal festivals in districts/cities as a form of halal promotion and providing access for sellers and buyers of halal products.</li> <li>- Indonesia Halal Industry Awards (IHYA) is a form of government appreciation to individuals and industry players who play an active role in the development of the Halal Industry.</li> </ul> | Social Respect & Non-Material Motivation |

The implementation of Islamic Public Value in the halal certification acceleration program in East Java is manifested in three main interrelated axes. First, in the theory and practice axis, the value of *Shari'ah* Implementation is realized through services that institutionalize religious principles into modern governance. This is evident in the coordination and guidance of all Halal Certification Bodies (LPH) across East Java by the Indonesian Ulama Council (MUI) based on *fatwas*, the mapping of products and promotion of the Halal Product Assurance System (SJPH) by the Halal Task Force, as well as the provision of digital platforms such as PUSAKA and SIHALAL, which simplify registration through a self-declaration system. Second, along the axes of space and time, the value of Social Cohesion is built through the creation of a collaborative halal ecosystem.

Its implementation includes establishing halal culinary zones in various districts/cities, providing assistance from the tourism office to MSMEs in tourist areas, and cooperation between the Halal Task Force and Islamic community organizations and universities to support the halal product process. Third, on the governance and faith axis, the values of Social Respect and Non-Material Motivation are cultivated through programs that appreciate spiritual and ethical aspects. This is reflected in the evaluation mechanisms for honesty and

the intent of worship within the SIHALAL system, the organization of halal festivals to promote and expand market access, and the awarding of honours such as the Indonesia Halal Industry Awards (IHYA) as a form of government recognition for halal industry practitioners.

The implementation of Islamic Public Value (IPV) in the halal certification program contains various interrelated and layered value components. The *Shari'ah* Implementation component is not merely compliance with religious commands to produce and consume halal and *toyyib* products but also serves as a practical educational tool on Islamic business ethics (*fiqh muamalah*) and the internalization of accountability and trustworthiness values for business actors. Furthermore, this program strengthens Social Cohesion by encouraging solidarity and collaboration among various actors in the halal ecosystem, thereby building broader social legitimacy and public trust. This policy also guarantees the rights of Muslim communities in a pluralistic society while revitalizing local Islamic cultural values. At a deeper level, this program fosters social respect and non-material motivation, where halal certification reflects the moral integrity and religious intent of business actors, not merely a legal symbol. This value also includes strengthening environmentally friendly production ethics and preserving ethical consumption culture, thereby providing spiritual and social incentives in the form of a good reputation and higher standing in society.

Table 2: Summary of the substantial value of halal certification services from Islamic public value components

| Value Components              | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|-------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Implementation of Islamic Law | <p>Compliance with religious commands: Halal certification embodies the principles of halal and <i>toyyib</i>, serving as a form of obedience to Islamic law in consumption and production.</p> <p>Strengthening the values of <i>Shari'ah</i> education: The certification process becomes a practical learning tool for <i>fiqh muamalah</i> and Islamic business ethics.</p> <p>Internalization of accountability and trustworthiness values: Business actors learn to be honest about raw materials and production processes, as well as to maintain trustworthiness towards Muslim consumers.</p> |
| Social Cohesion               | <p>Community solidarity in the halal economy: Halal certification encourages collaboration among businesses, communities, religious institutions, and the government to build a halal ecosystem.</p> <p>Social legitimacy and public trust: Halal-certified products enjoy greater trust from people from all backgrounds.</p> <p>Protection of Muslim minorities in a pluralistic society: This policy</p>                                                                                                                                                                                            |

|                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                          | <p>guarantees Muslims the right to purchase products consistent with their beliefs while also promoting social inclusion.</p> <p>Revitalization of local Islamic cultural values: Halal practices are revived as part of the local traditions of Indonesia's Muslim communities.</p>                                                                                                                                                                                                                                                                                                                                                                                                           |
| Social Respect & Non-Material Motivation | <p>The moral integrity of business actors: Halal certification is not only a legal symbol but also a reflection of religious devotion and moral integrity.</p> <p>Strengthening ethical consumption and environmentally friendly production (ecological values): The certification process considers cleanliness, safety, and environmental sustainability.</p> <p>Preservation of ethical consumption culture: Reviving the culture of clean, pure, and healthy living inherited from Islamic law and ancestral traditions.</p> <p>Spiritual and social incentives: Halal-certified businesses gain higher social status, such as recognition, a good reputation, and business blessings.</p> |

The implementation of Islamic Public Value (IPV) in the halal certification program contains various interrelated and layered value components. The *Shari'ah* Implementation component is not merely compliance with religious commands to produce and consume halal and *toyyib* products, but also serves as a practical educational tool on Islamic business ethics (*fiqh muamalah*) and the internalization of accountability and trustworthiness values for business actors. Furthermore, this program strengthens Social Cohesion by encouraging solidarity and collaboration among various actors in the halal ecosystem, thereby building broader social legitimacy and public trust. This policy also guarantees the rights of Muslim communities in a pluralistic society while revitalizing local Islamic cultural values. At a deeper level, this program fosters social respect and non-material motivation, where halal certification reflects the moral integrity and religious intent of business actors, not merely a legal symbol. This value also includes strengthening environmentally friendly production ethics and preserving ethical consumption culture, thereby providing spiritual and social incentives in the form of a good reputation and higher standing in society.

#### 4. Research limitations

This study has several limitations. First, it employs a single-case study design focusing solely on East Java, which may limit generalizability to other regions. Second, the cultural and religious characteristics of East Java may influence the prominence of spiritual motivations. Third, the study relies primarily on qualitative self-reported data, which may reflect subjective interpretations. Future research may conduct comparative studies across provinces or countries to examine variations in the implementation of Islamic Public Value across different governance contexts.

## 5. Conclusions

The policy of accelerating halal certification in East Java is a concrete manifestation of the Neo-Weberian State (NWS) paradigm, which has successfully integrated Islamic public values into a rational, participatory, and modern bureaucratic framework. This study shows that the program's success is not only driven by legal-administrative mechanisms but also by three interrelated components of Islamic Public Value. First, the implementation of *Shari'ah* serves as the primary foundation, where the state, through institutions such as the Indonesian Ulama Council (MUI) and the Halal Product Guarantee Agency (BPJPH), institutionalizes the principle of *maslahah* (public welfare) by protecting the rights of Muslim consumers. At the same time, for businesses, compliance is understood as a spiritual responsibility. Second, the program has proven to strengthen social cohesion by building collective trust among producers, consumers, and the government, creating a collaborative ecosystem rooted in shared religious values. Third, and most notably, is the strong social respect and non-material motivation, where the main motivation of business actors is spiritual (seeking Allah's pleasure) and ethical, which is then reinforced by state recognition and social legitimacy from the community. Thus, the halal certification policy in East Java is not merely the implementation of regulations but a responsive governance practice that effectively aligns national objectives with the spiritual and social values prevalent in society, demonstrating that public policy can achieve optimal effectiveness when it addresses dimensions of faith and local wisdom.

Based on these findings, several academic and practical recommendations can be formulated. Academically, further research is needed to explore how the IPV concept can be applied to other public policy sectors in countries with Muslim majorities, such as education, health, and social services. Comparative studies across regions in Indonesia or between countries can also enrich the understanding of variations in the implementation of NWS based on local values. Additionally, developing a more detailed theoretical framework for measuring the impact of non-material motivation on public policy compliance is a promising area of research. Practically speaking, both central and local governments are advised to integrate spiritual and ethical narratives into public policy socialization, rather than focusing solely on economic incentives. Regulators such as BPJPH can refine systems like SIHALAL to not only verify technical aspects but also capture and appreciate the non-material motivations of business actors in the evaluation. For industry players, especially SMEs, these findings underscore the importance of building a brand not only on product quality but also on a foundation of moral integrity and spiritual values that have proven capable of fostering consumer loyalty and strong social legitimacy.

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