Halal food: a social responsibility on cartel meat issue in Malaysia

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Abstract

Halal is an essential part of the Muslim faith. The Halal certificate is one of the Malaysian government's initiatives designed to help Muslim consumers. The success rate of the government initiative, however, relies on the collaboration of every walk of life. This initiative must be compatible with efforts to eradicate all who are cashing in on the Halal industry's growth. This study, therefore, discusses the social responsibility needed to ensure the integrity of halal food in Malaysia and its ecosystem by reflecting the meat cartel issue as its main theme of discussion. To incorporate detailed ideas, library research and document analysis are employed by referring to primary sources as well as secondary sources such as article journals, official portals, conference papers and so on. Data extracted were being analysed thematically based on illegal meat cartels, weaknesses and social responsibilities. This study found that all parties inclusive associations, organizations, and individuals have their specific role in ensuring that food is Halal and its production processes are in compliance with the Shari'ah requirements. Recommendations based on the research findings suggest that the Malaysian government need to provide a specific law regarding halal food, JAKIM to strengthen halal certification processes and methods of monitoring, while the industries must fulfil all requirements that had been set by the government and provide lawful food for consumers. Other than that, consumers are also responsible to support initiatives proposed by the government and industries.

1. Introduction

The sustenance of halal food is one of the religion's requirements as documented in the Quran, Surah al-Baqarah: 168. Allah mentioned:

يَاأَيُّهَا النَّاسُ كُلُوا مِمَّا فِي الأرْضِ حَلالا طَيِّبًا وَلا تَتَّبِعُوا خُطُُطوَا ِ الشَّيَُْانِ إِنَّهُ لَكُمْ عَدُوٌّ مُبِين

Meaning: “O mankind, eat from whatever is on earth [that is] lawful and good and do not follow the footsteps of Satan. Indeed, he is to you a clear enemy” (al-Baqarah: 168)

Food consumption must be examined according to its impact on an individual whether in terms of personal, personality, spiritual, and worship (Adzharuddin and Yusoff, 2018). This statement was also supported by a hadith, in which Prophet Muhammad said:

“Verily, there is a piece of flesh in the body, if it is sound and healthy, the whole body is sound and healthy, and if it is corrupt, the whole body is corrupt”. It is the heart (Sahih Bukhari, No.52).

Therefore, every individual carries a responsibility to ensure the status of the food they consume inclusive of the source of ingredients, the ingredients themselves, the method of slaughter and so on (Ishak et al., 2018). Other than that, for the authentication of meat-based food, DNA-based methods such as DNA barcode, Polymerase Chain Reaction (PCR) and isothermal amplification can be applied (Yusop and Bakar, 2020; Rahayu et al., 2020). In verifying the halal and lawful status, the aspect of social responsibility should be emphasized. This is because an individual has limited access to information.

Social responsibility in the halal industry is very important because this industry involves whole supply chain processes starting from raw materials selection to the production of an end product (Muqorobin, 2016).
This long process needs to be controlled by the stakeholders in order to maintain the quality and integrity of halal food. Due to that, all parties, either the government, the industries, the workers or the consumers themselves must cooperate and be responsible for empowering halal industry values.

The halal market demand has increased due to the increase in the Muslim population and awareness of the consumption of halal products (Ahmad et al., 2020) but halal demands also go beyond religious obligation (Adekunle and Filson, 2020). The halal market is growing domestically and globally. In 2018, the Malaysian halal market has grown to USD 68.4 billion and is targeted to achieve USD 113.2 in 2030. As for the global halal market, its net worth became USD 3.1 trillion in 2018 and is expected to achieve USD 5.0 trillion in 2030 (Kementerian Hal Ehwal Ekonomi, 2020). The expansion of the halal market will give a huge opportunity to the country and society as a whole.

The extraordinary growth of the halal industry has placed Malaysia in a special position in the global market. This is due to the strict rules set out in the procedures and standards for halal certification (Prabowo et al., 2014), which not only stresses the halal aspects of food but also highlights aspects of food safety and hygiene while improving the national economy.

Malaysia’s halal standards have been recognized in the global market, establishing Malaysia as a global halal pioneer (Mazlan and Hamzah, 2015). Although there are numerous brands of halal products from various parts of the world that have been approved, some of Malaysia’s local halal products are emerging and getting more demand in the global market.

Despite Malaysia’s rapid growth in the halal food industry, it is still vulnerable to threats from all directions, both within and outside the region. The issue of an illegally imported meat cartel syndicate based in Senai, Johor Bahru was reported at the end of 2020 (Laporan Penyata Rasmi, 2020b). The adulteration of halal logo labelling has stunned Malaysian society and has placed the country’s image as a global halal pioneer in jeopardy.

Not only that, the mixing of halal meat with haram meat can pollute the purity of raw material. The cartel issues also relate to the quality of the product, whereby the quality must be a priority rather than quantity (Ali and Suleiman, 2018). Besides that, another Halal issue related to meat cartel crime are the origins of raw materials, distinguish halal products, expired certificates as well as abuse of halal labelling and logo (Ali and Suleiman, 2018).

On a worldwide scale, the meat cartel scam has shattered the reputation of the Malaysian Halal certification. Due to some irresponsible stakeholders, the years of Halal environment research and control that have been developing in Malaysia for so long are doomed to failure. The Halal issues that had been stated gave an impact on the halal chain as well as the halal industry in terms of halal food supply (food security), particularly meat, the smoothness of processing food in the industry as well as serenity and confidence of the consumer in buying halal products. Therefore, this study is aimed to discuss the social responsibility aspect which needs to be adhered to by all parties in order to maintain and safe-keep the integrity of halal food in Malaysia and its ecosystem.

2. Materials and methods

The study focuses on the rise of illegal meat cartels in Malaysia, as well as the weaknesses in the halal management system as its main theme. This research applied a qualitative research design. Via the library research approach, relevant data were extracted from authoritative sources as a research base. To complete the research, reference or secondary material such as articles, journals, books, conference papers, and so on are used as base data.

The data were then analysed from halal industries and agencies' perspectives including meat cartel issues before further discussion on social responsibilities and suggestions. Before the final analysis, the data were thematically analysed based on illegal meat cartels, weaknesses and social responsibilities aspect as main themes. From the analysis outcomes, its main contents were analysed according to thematic methods in figuring mutual responsibilities model to be carried out by all Halal industry players in fighting illegal meat cartels’ operations to be ceased in order to guarantee Halal integrity.

It is emphasized here that the choice of topics within the scope of the analysis refers to a subject that is still intensely discussed i.e., the illegal meat cartels in Malaysia. The flow chart for this study is shown in Figure 1.

3. Results and discussion

3.1 Unexpected illegal meat issue in Malaysia

As per reports, the syndicate in bringing illegal meat from four countries, namely China, Ukraine, Brazil, and Argentina to Malaysia have been done through falsified documentation, including customs forms, import permits, halal certificates, and payment receipts to pass unauthorized authority checks (Laporan Penyata Rasmi,
To keep the authorities' eyes off the illegal meat products, the supplier companies included imported meat from legal sources alongside the illegal meat. The imported meat is then stored in a special storage area before being repackaged (Laporan Penyata Rasmi, 2020b).

Before pasting the fake halal logo, the imported meat will be packed in a box (Majlis Ugama Islam Singapura, 2020). Other than that, there is also a record of receipt of pork supply found at the scene. However, no pork was detected at the raid site (Laporan Penyata Rasmi, 2020b). This action causes speculation and makes the meat's halal status uncertain and demands more analysis.

Prior to the viral news of this syndicate, the community of product consumers became angered and worried (Whitehead, 2021). When it comes to the halal status of the meat, the consumer’s response becomes the main priority. The Muslim community has been alarmed by the religious sensitivity attack in Malaysia (Idris and Mohd Noor, 2013). Many concerned parties especially consumers came forward to gain certainty and confidence by getting an explanation of the halal status of the imported meat products (Laporan Penyata Rasmi, 2020b). Due to that, the Department of Islamic Development Malaysia (JAKIM) listed Foreign Halal Certification that had been recognized and verified by them (Portal JAKIM, 2020).

The issue of meat cartels has caused a debate within the community. One of the main questions which lingered in the debate was how can this syndicate continue its operation without the authorities noticing it? Since any end meat product has to go through a lengthy checking process before reaching the customer. Starting from the entry at the national border, shipped to a factory where it is repackaged until branded before being sold to entrepreneurs and markets. This process involved agreements from many parties such as the Department of Veterinary Services (DVS), JAKIM, Royal Malaysian Customs Department (JKDM) and Malaysian Quarantine and Inspection Services (MAQIS) (Laporan Penyata Rasmi, 2020b).

The eradication of the Halal Food Crime operation has made all parties in society mindful of the value of identifying the origins and suppliers of products (Jusoh, 2020). The fact that this syndicate has an immense effect on all stakeholders holds many worries about the end of meat consumption. Due to its much cheaper price, many entrepreneurs purchase frozen imports for businesses’ profits and to help the community continue to depend on them (Chisilia and Widanta, 2019). Since there are consumers who purchased imported meat to reduce mass costs such as catering prices, weddings and so on. This syndicate affects not only Muslim consumers but also producers of food suppliers.

The authorities are no exception, hence the need to reflect on improving the system to be seriously taken into consideration. The experience that happened in the country and abroad has left Malaysia with a bad reputation as a halal hub of the world in terms of violation of established procedures, bribery and corruption and integrity of the Halal Industry (Laporan Penyata Rasmi, 2020b). Azrae et al. (2018) mentioned that bribery can tarnish the image of the government and the country. Cartel issue proved that the Malaysian Halal Food System still faces weaknesses that need to be improved. Lucky enough, many unethical activities in the country have stopped as they cannot operate due to Covid 19 pandemic. It left them impecunious and somehow forces them to reveal themselves.

3.2 Weaknesses in Malaysia's Halal food system

The insufficiencies in productivity of the country's livestock breeding sector in fulfilling Malaysian’s needs, especially meat urges the country to practice import trade (Samsuddin et al., 2015). Having imported meat can fulfill consumers’ demands. This action provides a sufficient supply of food for consumers but unfortunately, another problem appeared. It can be seen from the meat cartel issue whereby import trade threatens the integrity of Malaysia's halal ecosystem. The dismantling of meat cartel issues has presented weaknesses in the food system in Malaysia, especially the control of the halal food supply.

The halal literacy rate is still low among the industries including suppliers, entrepreneurs, and product manufacturers (Abu Bakar and Idris, 2007). The cause of the rise in the number of cases of halal fraud is that, in growing their business, the fake Halal logo helps them too. Since the Halal logo demands halal products, hence there is the production of fake halal logos for illegally imported meat (Ab Halim and Mohd Salleh, 2018).
Serious crimes such as corruption and bribing among the government officers need to be eradicated from the beginning because these activities damage the management system thereby increasing the crime rate (Azrae et al., 2018). The trusts and powers given to the enforcement are tarnished and abused by those greedy authorities. This practice is related to the operation of an illegal meat cartel syndicate that can survive without being detected. According to reports, corruption and bribery are suspected to be the root cause of this syndicate (Suruhanjaya Pencegahan Rasuah Malaysia, 2021). This needs to be taken seriously because this problem can hinder the development of the country in all aspects including the development of the Halal Industry.

The absence of specific laws or acts poses a challenge for the halal industry. Without halal law, the jurisdiction of central government agencies is limited (Abdullah et al., 2015). As a result, the implementation of the task cannot be done comprehensively as it requires the support of various government agencies. In meat cartel issues, the integration of DVS agencies with JAKIM, JKDM and MAQIS is needed because each agency holds different roles.

The roles of DVS and JAKIM apply before the meat is allowed to be imported, which is needed by the entrepreneur to apply from the DVS. Next, the DVS will cooperate with JAKIM to process the application including checking the whole process from the method of livestock, cleanliness of farm, method of slaughters and so on related to certain procedures as well as fulfilling the concept of Halalan Tayyiba (Abdul Razak, 2021). After verification, only then the entrepreneur obtains permission to import the meat.

As for JKDM and MAQIS, these agencies are in charge of the enforcement division and documentation such as import permits, veterinary health certificates, Halal certificates as well as necessary supporting documents. Monitoring import products at the border entrance is also one of their roles (Laporan Penyata Rasmi, 2020a). The differences in roles complicate the movement of one agency because its implementation depends on other agencies. Without everyone’s involvement, the standardization of Halal is not achievable. Due to the increased rate of food crimes, enforcement actions should be given priority.

In addition to that, the shortage of staff limits inspection and work monitoring. The current workload could not be handled by the authorities as the staffs are insufficient. Not only that, after the transformation of the Trade Description Act 2011, a religious office is appointed among the officers from the Department of Islamic Development Malaysia which leads to more workload (Abdul Wahab et al., 2015). This action restricts the authorities’ movement thus portraying weaknesses. Therefore, recruitment needs to be in line with the working scope to be accommodated properly.

Prior to authorities contributing to the weaknesses of the halal industry, similarly, the entrepreneurs are also involved in adding to the shortcomings. The management of the halal industry becomes haywire when an entrepreneur does not comply with the instructions. This tragedy can be seen through the meat cartel scandal, in which the criminal imports illegal meat and ignores procedures stated by DVS and JAKIM (Rozlin and Ramli, 2020). The concern is with the integrity of the individual be it the manufactures, manager, or worker itself. Such argument was explained that even after getting halal recognition, the quality standard has still been unsatisfactory and ignored (Abdul Wahab et al., 2015).

There is still a lack of awareness in applying for a Halal certificate among the entrepreneurs in the Halal industry either the food and beverages sector, cosmetic sector or pharmaceuticals sector. One of the reasons is that the Halal certificate is not made mandatory. In other words, Halal certification is voluntary in Malaysia. Due to that, many entrepreneurs are not concerned about getting a Halal certificate (Abu Bakar and Idris, 2007). This attitude gives a slightly negative impact on the halal industry. The Halal certificate fees and additional charges applied differ from one company to other. The charges for processing application, product and service certification, food premise certification, additional menu, photocopy of Halal logo poster, slaughterhouse certification and more distinctively differ from one to the other (Malaysia Halal Certification Procedure Manual, 2020). The charges also depend on the size of the company. As the higher, the annual sales of a company, the higher the annual charges. The details for Halal certificate fees are shown in Figure 2.

3.3 Social responsibility

The halal food status elucidation should be scrutinized starting from sources, processes, and results to the community. This analysis involves the cooperation
of several parties, but the boundaries of the authority of each party restrict this initiative. Thus, this responsibility should not be taken by one party alone. Efforts toward obtaining halal-guaranteed food should be implemented by all levels of society, especially Muslim consumers themselves. Non-government organizations, the private sector, entrepreneurs, suppliers as well as the consumer are urged to take this responsibility.

Figure 3 shows the interconnection of social responsibility response between government, industry and consumers. The government has the responsibility to create a specific law regarding halal food. The law provided must benefit all parties, in terms of the fulfilling necessity of the industry and satisfying demand from the consumer concurrently. Each stakeholder must recognize their responsibilities and contributions to the country rather than focus on profit maximization only (Dusuki and Abdullah, 2007). As a result, this action will profit the country itself in terms of economy and good inter-relationship with other countries.

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Social responsibility in ensuring halal food can be seen from several points of view, in which the activities would be beyond making profits include protecting the environment, caring for employees, being ethical in trading and others (Dusuki and Abdullah, 2007). First and foremost, the Jabatan Kemajuan Agama Islam Malaysia or known as ‘JAKIM’ is the government agency responsible for halal food affairs in Malaysia. Second, the law enactment and specifically the Halal Act is closely related to law enforcement. Third-party stakeholders such as the Muslim Customer Organization Malaysia (‘PPIM’) as a non-governmental organization can be very much beneficial in focusing on the benefits of Muslim consumers, entrepreneurs and consumers themselves while observing the halal status processes.

Concerning halal issues in various fields, more subjects are involved in the halal industry than just meat. The encouraging supply and demand of halal goods and products from the community showed that the halal industry market was well-received (Mazlan and Hamzah, 2015). Therefore, JAKIM should strengthen halal certification processes and methods of monitoring to allow close control of the halal industry to achieve the country’s objective of turning Malaysia into a worldwide halal hub. At the same time, an intensive awareness campaign about the importance of obtaining a halal certificate needs to be highlighted in addition to encouragement from the authorities in terms of financial support, market opportunity and so on.

In particular, the monitoring of halal imported meat upon entry into the nation should be granted to JAKIM for more power. Based on the recent issue of meat cartels, JAKIM has not issued any statements relating to the warm meat smuggling issues (Jusoh, 2020). It is said that the reason is beyond their control. In other words, JAKIM has limited powers regarding this issue (Ghazali and Md Sawari, 2015). Thus, easily promotes malpractices among criminals.

The director of the legal and human rights department, Noorazmir Zakaria stated in an interview regarding meat cartel issues that the issue of JAKIM’s restriction authority could be resolved by introducing the Halal Act (Ismail and Yahaya, 2020). Ghazali and Md Sawari (2015) support that the implementation of the Halal Act can overcome this issue. Although the Bill (Rang Undang-Undang/ RUU) of the Halal Act has been prepared, it has not been presented because the government does not give priority, considering this mission is still far ahead (Abdul Wahab et al., 2015). However, to further the dismantling process of the illegal meat cartel issue, the presentation of this act needs to be hastened.

In general, the enforcement of the Halal Act can provide support to JAKIM and strengthen the whole Halal industry. In addition to the equality of Halal industry monitoring, JAKIM’s authority can be expanded, and fund allocation to add officers can be given in monitoring, particularly the imported meat products through the Halal Act. This advantage can add value, especially to JAKIM in managing and administering the halal aspects in Malaysia.

On the other hand, a series of recommendations made by the Muslim Consumer Association of
Malaysia (PPIM) with regards to safe-keeping consumers especially Muslims should be implemented. One of the current recommendations by PPIM is to establish a special committee comprising an association of non-governmental organizations (NGOs) to help the authorities investigate the issue of halal non-compliance. Such association would be beneficial in specifically taking into account all types of consumers’ opinions on the halal processes’ initiation. Besides, Datuk Nadzim Johan, the chairman of PPIM also proposed that big companies unite to form a consortium to move based on Islamic interests by having a much more powerful force in implementation (Badarulzaman et al., 2016).

As for industries, the Halal industry has a responsibility toward the government by following all the requirements that had been set up by the authorities, even though they need to maximize the amount of profit. At the same time, the industries must be responsible to provide lawful and harmless food for consumers. Companies directly affiliated with the sector often play a part in helping the Halal industry to become more empowered.

Besides, entrepreneurs must be well trained when providing consumers with halal products. Religious values and profit-based should go hand in hand to be instilled in the identity of all halal industry users (Wanda et al., 2020). In the meantime, awareness of the importance of halal certification needs to be fostered, so that no unjustified excuse arises when making an application. This awareness is not only focused on entrepreneurs but includes manufacturers and distributors. The fundamental integrity of entrepreneurs will result in trustworthiness and accountability to the consumer (Megat Arifin and Ahmad, 2016).

On the consumers’ side, they are the most affected group and have long been victims of Halal issues. Consumers need to be more sensitive and concerned about their well-being sustenance, especially with their consumption. Halal status, content quality, hygiene, and safety must be ensured before making a purchase (Hamidon and Buang, 2016). The criteria of halal tayyiban can be used as a guide. These criteria had been stated by the government in order to ensure consumers get good quality food.

Consumers are also advised to prioritize Muslim products because their products are more secure in terms of halal and safety (Nurul Syaida, 2020). Consumers also need to be more careful and selective in their food intake by prioritizing the halal logo inspection (Mustaffa et al., 2019). In short, consumers are also responsible to support initiatives proposed by the government and Halal industries. The food information on the label section to some extent helps consumers make their best choice.

Ultimately, all parties need to work together hand in hand in order to fight against these destructive human beings who are the main culprit of illegally imported meat using fake halal logos. Collaboration in the exchange of information is also beneficial. It is time to empower halal control standards in Malaysia to avoid the sabotage of immoral parties. The support given by each party will strengthen the sustenance of halal food through the give-and-take concept as well as the win-win situation concept.

4. Conclusion

Improving the weaknesses in Malaysia’s Halal Food System either among suppliers, entrepreneurs, product manufacturers or government will lead illegal meat cartels to cease and empower the halal industry ecosystem. To achieve this level, social responsibilities must be applied. Adhering to this responsibility is an ethical human character that is to be practised. It is a cornerstone in Islam. Primarily as a Muslim, responsibilities are directed towards the creator, oneself, and others. The prophet peace be upon him said everyone shall be questioned with regards to his trust and responsibility (Sahih Bukhari, No. 893). Henceforth, everyone has a role in ensuring the Halal ecosystem. Regulation of halal food should be strengthened for the young generation of Malaysia to enhance its spiritual and physical growth.

Halal food sustenance contributes to good morals and behaviours. However, the consumption of illegal food is harmful. The impact does not cease for individuals, but leads to a greater impact, on society and the country. Starting from an individual concern about his health, government officials would then control the processes and end product produced by industry players through laws and legislation. And industry players would be mindful enough to oblige all rules set out upon them while reaping profits’ benefits. Much upon consumption, halal practices and consumers’ concerns, a third party such as an NGO association would help lookout all stakeholders’ benefits to be taken care of. This union not only benefits consumers but also contributes to empowering the halal industry. This collaboration also makes it easier for the authorities to prevent irresponsible parties from trying to modify the integrity of the halal ecosystem.

Conflict of interest

The authors declare no conflict of interest.
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