

HALAL LABEL AND THE ETHICS OF BUSINESS: AN ANALYTICAL VIEW FROM PRODUCERS

Dr. Muhammad M Said

Department of Shari'ah economics, State College for Islamic Studies Palangka Raya, INDONESIA.
abiulil@yahoo.com

Kaviyarasu Elangkovan

Undergraduate Student, Universiti Putra Malaysia, MALAYSIA
kavi.economicsupm@gmail.com

Abstract

In today's world, we tend to ignore the meaning of Halal label in the product packaging. Some consumers may have viewed it as the stamp that can become the guarantee for the product legality and security as they understand in the religion concept. While some other may even not be aware of its important of the halal label. This study aims at exploring the value of Halal label in the food product package in the view of producers. The study was conducted in Palangkaraya, Indonesia. The data collected by interviewing twelve (12) of the producers who produce halal food and use halal label. They were interviewed to know their point of views on the benefits of producing halal products and their reason on using halal label in their products packing. Apart from the interview, the data was completed by directly observing to the process of producing the products, its place and the equipments used in making the products. The study revealed that the producers using halal label to legitimate the legality of their products that it is not identical with not containing pork and khamar. Liberating the consumer from doubtedness on the things prohibited firmly in Islam, harmful to themselves, other and environment surrounding is another reason behind the using halal label. In addition, it is used to liberate the product from the excrement. The benefit of producing halal product is extremely motivated by the material profit. It is based on the market segmentation which dominated by more than 70% of Muslim consumers. Apart from the material profit, producing halal products contain social responsibility, and the awareness of the spiritual dimension.

Keywords: Halal label, ethics, spirituality, mandate methapore, and bleesing.

INTRODUCTION

Globalization has great contribution on the rising of consumptive culture in society. The circulation of food products from other countries does not only assist modern people to easily meet their needs easily come in contact with a wide range of food products. Globalisation has emerged problems of ethics and given a greater opportunity for the misuse of power for personal gain. No aspect of globalization is more difficult to deal with than business ethics, and the struggle for ethical conduct gets more complex (Duerden, 1995 and Desai and Rittenberg, 1997). Facing the dilemma of ethics in the global business forced Muslim community to struggle in meeting the halal products according to their religious identity. Now days, their efforts in demanding the halal products widely develop in the countries both Muslims are majority population and countries where Muslims are minority population in the form of economic and finance institutions (for further explanation on Islamic finance see; Saeed, 1996; Frederick V and Rehman, 2011; Cihak and Hesse, 2008 and Ahmed, 2007) and food products (Power, 2008). Thus, today, halal is not seen as the religion matter but becomes the global needs (Power, 2008). Halal matter is the fast gaining worldwide recognition as a new benchmark for safety and quality assurance and acceptable by Muslim consumers as well as consumers from other religions (Bistari, 2004).

In shari'ah (Jabar, 2008) the fulfilment of food commodity has been ethically regulated. It clearly gives guidance and protection to every person (Moslem) on the food and drink product. Shariah does not allow Muslim to eat or drink alcohol, pork or among others which al Qur'an regarded as the unlawful (*haram*).

Shari'ah as the source of ethics teaches the importance of protecting the interest of consumer and producer as well and their way of producing and consuming the products in accordance with the directives of Shariah (Memon, 2007, and Asy Syatibi, 13).

Carla Power (2008) asserts that halal products become global needs. It is more than a religious duty and big business. The phenomenon of legalizing halal product does not only become the local and national business trend but also international one. The establishment of CODEX, IFANCA and AQIS is the real manifestation of product legalization globalizing

crystallization. Codex is a world organization specifically handling a product's legality aspect in international trading system. Islamic Food and Nutrition Council of America (IFANCA) established by the American Moslem community has also the similar function and objective (Sakr, 1996). The similar institution exists in Australia, "Australia Quarantine and Inspection Service" (AQIS) (Power, 2008).

Around 80 per cent of the halal food industry is in the hands of non-Muslims. The Brazilians have been big halal producers for decades. Three quarters of chickens exported by France are halal. Globalising supermarket chains are starting halal lines; France's Carrefour even has a halal product co-ordinator to test that its supply chain is halal from farm to fork (Power, 2008).

In Malaysia, the average global *halal* food trade is estimated at RM 600 billion per year. There is tremendous potential in the development and production of *halal* food products. Throughout Moscow, Russia, the annual sales in halal stores increase from USD45 in 2004 to USD70 million in 2006, a sum that is expected to hike to USD100 million in 2008 (Muhammad, 2007). Zurina Mohd Bistari (2004) reports that the demand for *halal* food is higher than previous estimation, that is at US\$150 billion a year with the increase in world Muslim population to an estimated 2 billion people (Bistari, 2004).

According to Canadian Agri-Food Trade Service Report (2008), there is a strong demand for Halal products in a number of non-Muslim countries for both groups of consumers. The Halal products are also growing in popularity among non-Muslim consumers due to humane animal treatment concerns and the perception that Halal products are healthier and safer.

Muhammad (2007) cited in Golnaz, et.al (2010) revealed that non-Muslim Russians made purchases from Muslim stores because they believe the products are fresh, safe and infection free, and had confidence that Muslims would adhere to their religious belief not to cheat. While, in the Philippines, non-Muslims also tend to prefer foodstuffs stamped with the Halal logo for health reasons. The public relations office of Victoria Foods Corporation – one of the many firms with Halal certification – claimed that an increasing number of Filipinos are becoming health-conscious. Filipinos are now looking for Halal products, which they believe to be safe, healthy and good to be consumed (Muhammad, 2007).

Halal contains the idea that economy and business activity should not be kept away from the ethic and moral values (Garrot, 1992; Chryssides & Kahler, 1997 and Lagan, 2000). Halal products as the object of business does not simply relate to gain profit as much as possible, but also relate the ethic, morality, social and other sacred values (Zohar and Marshall, 2005).

Contradict to Danah Zohar and Ian Marshall (2005), Milton Friedman argues explicitly that the existence of business organization is to meet and to achieve the shareholder's interest. The only form of social responsibility of business organization (company or industry) is to use the resource it has to improve its profit (Chryssides dan Kahler, 1993, 254).

Consequently, various business companies take their own measures. The end justifies the mean is applied to accumulate the profit maximally. The company's and industry's holder applying the doctrine not only experiences their interest conflict tempted by the large profit but also decomposition from inside that in turn leads the company to the great bankruptcy. Thus, Kenneth Lay suggests that the behaviour of company should refer to not only legal behaviour but moral and ethical behaviour (Elangkovan and Said, 2013 and Lagan, 2000).

LITERATURE REVIEW

Ethics is commonly defined as a set of principles prescribes a behavior code that explains what is good and right or bad and wrong. It may event outline moral duty and obligation generally (Chryssides and Kaler, 1995, 51). Charels Powel and David Vogel provide a simple and dynamic definition that ethics is concerned with clarifying what constitutes human welfare and the kind of conduct necessary to promote it (Chryssides and Kaler, 1995 and Peterson, and Ferrel, 2005).

Ethics is a normative field that prescribes what one should do or abstain from doing. Business ethics, sometimes referred to as management ethics or organizational ethics, simply limits its frame of reference to organizations. Ethics in Islamic system differs from secular. In Islam ethics emphasizes the relation of man to His Creator, the Omniscient of God. Muslims have a code that is neither time bound nor biased by human whims. The Islamic code of ethics is enforceable at all times because Its Creator and Monitor is closer to man than his jugular vein, and has perfect, eternal knowledge (Beekun, 1996).

Essentially, the basic principles of Islamic ethical norms in business is avoiding *gharar* (uncertainty, risk or speculation) and investment should only support halal products that are not forbidden (alcohol, the production of pork based products, investment in real estate for a casino, and the like) (Chaudhry, 2012).

Zurina Mohd Bistari (2004) expressed the benefits of halal label are. *First*, consumer confidence – it allows the consumers to make an informed choice of their purchase. *Second*, competitive advantage – manufacturers can use it as a marketing tool to secure bigger market share as *halal* food is suitable for both Muslims and non- Muslims. At international level, Halal label can enhance the marketability of the products especially in Muslim countries. *Third*, quality – it indicates that the food requirements, but also strict hygiene practices. Fourth, for the authority – it provides mechanism to audit and monitor *halal* food (Bistari, 2004).

Golnaz, R, Zanalabidin, M., Mad Nasir, S. and Eddie Chiew, FC (2010) showed a positive personal attitude toward the consumption of halal food among non-Muslims. The determinant factor that influences the non-Muslim consumer attitude toward understanding and awareness of halal principles and halal food products are food safety, animal welfare, and environmental friendly. The non-Muslim consumers are aware of underlying advantages that come with halal food process.

Business is defined as an activity done by human being to obtain income or earning or livelihood in the attempt of meeting the life needs by managing the economic resource effectively and efficiently. Business is a process of product and service exchange an individual or a group of people does in organized manner through a company with the fundamental objective to give satisfaction to the consumer and to elicit profit to the producers (Garrott, 1992). The transaction occurring between the consumer and producer bring about the process of buying and selling goods and services.

Business in its wider context aims to achieve three main aspects. Firstly, the material profit target and non material benefit. Business is intended not only to gain the material profit (*qimah madiyah*) as much as possible, but also to get and to give non material benefit for the actor and environment surrounding. Business as the alms in Islam aims to achieve *qimah insaniyah* (social value for the human fellow). Business is directed to the clear orientation for improving the human welfare, opening the job opportunities in order to be avoided from the lazy

and unemployed traits, improving the entrepreneurship ethos, and even the result can be used for sharing with other people. Moral aspect become an important part of business someone carries out. Ethical value (*qimah khuluqiyah*) becomes a must that can be an instrument to gain the material and social profit. Industry and company emphasizing on the ethical dimension has a superior competitive advantage over the industry and company ingnoring this ethical dimension.

The second aspect of business is the growth and continuity. Business as the activity of exchanging good and services for money is carried out using the growth and contnuity principles as long as possible with the clear target profit and improves continuously without ignoring the syari'at norm.

Thirdly, God's blessing and favor. This point has a fundamental principle in Islam. It makes the business as an activity containing high sacredness value. Blessing is the precondition to achive the spiritual satisfaction, namely God's favor as the main ladder toward the peak of human life happiness. Keeping and maintaining others' interest by putting forward the moral is the way to love God expect by loving man.

Joel Gold Smith in his elevating book "Living the infinite way" cited in G.R. Garrott (1992), says this about service to mankind: "...the only way we can love God with our whole heart and soul, with our whole mind, body and being, is by loving man. That love is made manifest not only in the service we give to man, the kindness and forgiveness, but also in our spiritual realization of God as the sum total of individual man's being. The more we can realize God to be the law of our neighbour, God to be the soul, substance and governing influence, the supporting and supplying principle of our fellowman, the more we are loving our neighbour as ourselves, and at the same time loving God (Garrott, 1992).

By understanding the statement above, it is clear that business is not only an activity concerns to human profanity interest but also rich of transcendental value and meaning. The business essentially includes a wider aspect. It covers material, religious, morality and the aspect of transcendental values (Viner, 1978). The interest of man on business naturally is solely in God, not in man; God does not exist for man, but men for the sake of God. The only small proportion of men is chosen for eternal grace, can have any meaning only as means to the glory and majesty of God (Weber, 2008 and Viner, 1978).

FINDINGS

Halal Label: Ethics and Spirituality

Spirituality is defined as a term focusing on something beyond this world or implicating it in the form of certain religious discipline. This term is taken from Latin *spiritus*, meaning something giving life or vitality to a system". Spirituality is viewed as the improvement of life quality in the world and hereafter (Zohar and Marshall, 2004).

David Ray Griffin (1988) asserts that the term spiritual refers to the basic value and meaning underlying our life, both worldly and *ukhrawi*, whether conscious or not improving our commitment to such values and meaning. The term spirituality indeed has connotation of religious values meaning that the basic value and meaning someone has reflect the things considered as holy, having the very fundamental interest.

Generally, spirituality is a mental disposition and personal commitment form by the value and meaning constellation, certain product and world illustration (Griffin, 1988). Spirituality relates to the authenticity and eternity spiritually, not temporally and elastically. Divinity awareness as the core of spirituality is the basic capital each individual has that is expected to color every activity of one's life. In the context of business, spirituality gives insight and understanding that business carried out by an individual is closely related to the material and spiritual reality simultaneously. The narrow assumptions putting human (businessman) as the economic creature emphasizing on their own interest with the material benefit orientation are not in line with the facts found currently.

The result of study shown that producers view business activity as a life call, the media for subservience to the virtuosity to help other having difficulties and needing help. The business also becomes the ladder toward the subservience to God (theocentric) by means of giving benefit to other people (anthropocentric) both through the belief and deed in the form of giving something material, such as releasing tithe, *infaq*, alms and avoiding the jobless people.

In the context of halal products business, they aware that it is not merely for the sake of business in order gaining much material profits but is giving the better service to the Muslim consumer. The producer also view that halal food is mean to stimulate a wide market segmentation. It does not only relate to the need of Muslim but also non-Muslim consumer.

Howefer, as Gozner et.al. (2010) found in their study that a lot of non-Muslim consumers still view Halal labeled food products from a religious perspective. They appointed the case of the multi-racial population of Malaysia. 62% of the populations of Malays are Muslim, 24% are Chinese who is either Buddhist or Traditional Chinese religions and 8% are Indians and their main religion is Hinduism. Both Chinese and Indians are not concerned about whether the food that they consume is Halal or not. It does not affect their consumption patterns even if the product is Halal. In other words, they have not yet to appreciate the underlying advantages that come with Halal products which does not only include a hygienic process, have to undergo a thorough inspection to ensure a clean and hygienic manufacturing process which contains health, animal rights and safety, the environment, social justice and welfare before the products are launched in the public market.

The inclusion of halal label in the products provides some benefits. First is consumer confidence. It means that the halal label allows the consumers to make an informed choice of their purchase. *Second*, competitive advantage – manufacturers can use it as a marketing tool to secure bigger market share as *halal* food is suitable for both Muslims and non- Muslims. *Third*, quality – it indicates that the food requirements, but also strict hygiene practices. Fourth, for the authority – it provides mechanism to audit and monitor *halal* food (Bistari, 2004).

Apart from the benefits above, the producers who become the object of this study have their widely understanding and awareness on halal label putting on the packing products. To them, label halal implies material and spiritual profits. Halalization of products mengandung dimensi spiritual and the representation of divinity awareness.

The included divinity aspect in the halal products contains a spiritual aspect in business. Thus, the inclusion of halal label in the packing of product has both material and spiritual profits in nature. To the Muslim consumers, grasping and accepting the halal label is a must as it is recommended in many verses of the Qur'an and sunnah as the source of Islamic law. The producers know that the consumer who consume the unlawful (*haram*) products is not merely forbidden under the Islamic law. It also becomes one of the challenges to the consumer for establishing good vertical relation with God (*hablun minallah*). The producers are aware of the importance of halal label in their products as it is represented in the following statement.

We are fully aware that serves halal food products provide economic and spiritual benefits. Economically, the market segment for halal products are very advantageous because of considering the amount of Muslim consumers in the region above 70%. Spiritually, by producing the halal food products we keep our economic advantage and help our Muslim brothers to be more alert in choosing the food products. Many of the food products that are not attached halal label in the bundle of products. It is important to be aware and considered regarding the impact of consuming the unlawful food products are able to block the way of one's communication with God. We know one of barriers why our hopes to God are hard to be fulfilled. One is caused by the effect of consuming the unlawful products.

In the statement above we can see that such normative belief has penetrated into the producer's business vision. They understand the consumption of halal product is a must that cannot be bargained for the muslim consumers. The producing, serving and consuming the halal product is the religion's command closely related to the improvement of spiritual stamina of the consumer. The awareness of halal product is important for the self and consumer spirituality improvement. The awareness of halal product encourages the producers to be actively confine the consumers including the halal label in their product package. The study found that the 100% of halal label can be seen clearly in a number of food product such as cake, brownies, chips in the food packing.

The rationality of 100% halal label is intended to ensure the consumers that the products are produced by small industry is safe, health and huygine. In other part, the halal label reflects the normative aspect with in-depth spirituality basis. The spiritual value of halal can be referred to the command (*amar*) to consume the *halalan thoyyiban* products in some verses of Qur'an and hadits of prophet Muhammad pbh. A number verses of ayat give justification on the importance of eating halal product such as chapter 5:57; chapter 2:168 and 172. In the chapter of al Baqarah verses 2:168 and 172, for example, are stated as the following:

O men! Eat the lawful and good things out of what is in the earth, and do not follow the footsteps of the Shaitan; surely he is your open enemy. (QS.2:168)

O you who believe! Eat of the good things that we have provided you, and render thanks to Allah if Him whom ye worship. (Chapter.2:172)

The assertion between lawful (halal) and unlawful (haram) are explicitly said in the saying of the prophet, Muhammad pbu in his hadith narrated by Imam Bukhari:

Halal is clear and the Haram (unlawful) is clear. Between the two there are doubtful matters concerning which people do not know. One who avoids them in order to safeguard his (religion) and his honor are safe, while if someone indulges in it, he may be indulging in the unlawful" (Imam Bukhari)

The two *ayats* and hadith confirm that the halal product we consume holistically concern to the fulfillment of biological, emotionality (mental) and spirituality. The interpretation on the halal products at the level of meeting material needs are basically cannot be apart from the social and spiritual. It differs from the materialistic perspective. The perspective sees business activity aiming to fulfill the biological needs tends to motive individual behaviour on fulfilling material need with no relation to other aspects such ethics, sosial, and spiritual (Al Faruqi, 1995).

Consequently, the behavior of individual who sees material profit as the end of business tends to construct the material-oriented reality without considering the responsibility on other people as many modern peoples do (Zohar and Marshall, 2004). Modern man has suffered an almost a fatal shock, pshycologically speaking, and as a result has fallen into profound uncertainty (Jung, 1981, 231).

The high desires on material profit maximization as the primary concentration in business simplified the noble goals of business and reduced the wholeness of the human elements to be the split personality. Man, as Jesus said, does not live by bread alone (Al Faruqi, 1995). They individually, socially, morally, and spiritually are responsible to others and to God. Thus, Islamic business concept has wider scope. It includes and accords an important role to the moral and social dimension. A businessman in Islam works with the intention of pleasing God (Ahmed, 1992). Business action is the expression of Islamic spirituality (Al Faruqi, 1995).

In lines with the view above, business activities as David Price in his book “Christian Ethics of Money” cited in Goeffrey R. Garrot (1992) has some basic purposes. First, the divine purpose is to provide a healthy and creative mechanism through which mankind can learn to support one’ self and care for the world. Second, business is on human relationship; people are what business is about, dealing with and satisfying where possible their needs, wants and abilities. Third, employees, including management are responsible for directing business and implementing policies utilizing to best effect all the resources of the business. All employee have responsibility to the business that employee them. Fourth, going the extra mile – doing everything possible to see the customer and fellow employees are served and satisfied to the best, not least of one’s abilities. Fifth, business ethics should form a “common currency” between

people in the market place, simplifying transaction by providing standards of conduct which can be relied and depended upon by all parties to transaction (Garrott, 1992, 127).

The presence of "Halal" concept in the context of consumption and production behavior reflects on the human's effort in meeting their basic need and character as the creature with divinity certainty. The consumers improve their welfare when they consumed on the halal and the hygiene foods and avoid the proscribed products.

In Islam, the affirmation on halal (lawful) and haram (unlawful) food product has been so clear. Islam prohibits to proscribe what halal and to legalize what proscribed, as explained in surah Almaidah, Chapter 5 verse: 87-88). The verse affirmates clearly the status of halal, what is allowed and what is forbidden in Islam. Thus, halal, has been proposed and welcomed by the frequency of Muslim minorities in non-Muslim countries and also in Islamic countries. Muslims have shown more and more attention in consumption of these goods to be sure of Halal products. This issue is not only an economic aspects but it is a serious cultural icon (Nahavandian, 2011).

The consumed halal product has important value and meaning in regarding to the attempt of meeting the material and spiritual needs. At this level, the producer puts halal label as the symbol having spiritual vision and icon for the consumers in order they are no doubt to fulfill their needs in accordance with the teaching of religion. The producers put forward the principle of *tawazzun*, balance between themselves interest to get the material profit and the safety and hygiene products both for the consumers and the producers themselves simultaneously. They argue that the produced products are not addressed to the consumers but they have to taste and keep them for themselves. Regarding to this, one of the interviewed producer stated:

Logically, producing the healthy, nutritious and halal products with the aim at meeting the customers need, in fact, are for the producers themselves. The safety of consumers is also manufacturers. Nevertheless, the business aims to meet the basic needs of the people and make profit. However, it is not the ultimate goal but as an intermediary for the purpose of providing good services to others with the sake of themselves, their families and the community at large.

The statement implies that the product served two values simultaneously within it, material and spiritual, individual and social values. The producer grasping the halal label reflecting on the economic rationality, the knowledge and capability to sort and to select the type of goods and services that can meet the consumer's taste and desire and the producer needs at once.

The Mandate Metaphor: The Shifting Paradigm

Most of the manufactures producers of halal product related their business on the ethical perspectives, particularly in the perspective of Islamic economy ethics. One of the aspects that distinguish Islamic economy from others is that its agents act under the guidance of norms drawn from the sources of Islam (Naqvi, 1981 and Chapra, 1992). These norms "command good" and "forbid evil."

The norms promote the avoidance of waste, extravagance, and ostentation. They discourage activities that create harmful externalities. They stimulate generosity. They encourage individuals to work hard, charge fair prices, and pay others their due. The intended effect of the norms is to transform selfish and acquisitive *homo economicus* into a paragon of virtue, *homo Islamicus*. *Homo Islamicus* acquires property freely, but never through speculation, gambling, hoarding, or destructive competition (Kuran, 1995).

In addition, one of the ethical norms of Islamic economics avoids all forms of unlawful goods, services and transactions. The basic preference of the producers in producing the *halalan thayyiban*, lawful and hygienes product is ethical norms. They realize that the production as one of the economic cycle carried out by the producers is seen as a mandate that they should be responsible for themselves, consumer and before Allah as it is indicated by the following statement:

The inclusion of "100% is guaranteed halal" not only convinces the consumers that what we produce is edible because of its legality, but also contains the mandate and responsibility to ourselves consumer, and also before Allah.

The statement above indicates the understanding of the producer on the principle of producing the halal product in the context of mandate (*amanah*) metaphor. Mandate (*amanah*) methapore, basically meets the requirement of business ethics which is good conduct for the betterment of one self and others as an obligation. In this context, producing good, healthy, hygiene, halal food product is a mandate and responsibility in the business activity. This understanding characterizes the awareness of including the ethical and spiritual value into the business. In addition, It also indicates that the shift of paradigm occurs in seing the business from the profit maximizing-based paradigm to the value-based paradigm.

The profit maximizing-base paradigm is carried out by the positivistic paradigm which based on the secular view, objective and the power of rationality does not accept the subjective values such as emotional and spiritual values constituting the derivation of major religions' spiritual tenet.

To the view, business has no social responsibility. A corporation is regarded as an artificial person and may have artificial responsibilities. Milton Friedman asserted that business as a whole cannot be said to have responsibilities. A corporate executives is an employee of the owner of the business. He has direct the responsibility to his employees. That responsibility is to conduct the business in accordance with their desires, which generally will be to make as much money as possible while conforming to the basic rule of the society, both this embodied in law and those embodied in ethical customs (Chryssides and Kaler, 1995, 149).

While the vaule-based paradigm is postmodernism. It accomodates the varied values and believes that value and thoughts are pulling and extending each other. It differs from the first paradigm which requires the businessman to dwarf the ethical and spiritual values in the business realm. This thought was inspired by the Keynes's principle that reminds the modern businessmen to leave the ethical considerations in business. It is not only allowed but also a hindrance because what bad is useful and what good is useless (Irawanto, 1997).

In lines with the second paradigm above, local producers with their understanding conduct their business based on their religious wisdom and religious morality. Religious morality may extend beyond secular morality is that religion typically holds that there are dimensions of reality beyond the purely physical world. Religious morality claims that the business actions should be directed to attain the wordly profit and the herefater one. The business action they prescribed helping to bring about that supernatural goal (Cryssides and Kaler, 1995).

In the other world, the integral and holistic view of the produces in conducting business adopt the objective, rational and subjective values such as individual, social, ethical and spirituality responsibility in the business as the postmodernism embodied them (Griffin, 1988). Postmodernism transforms business by importing the local values and wisdom as the tool that can help the actors realize not to surrender to the reality existing as something given but to

transform it consistent with the everlasting and eternal values and interests based on the divinity (theocentrism) for the sake of human interest (antropocentrism).

Conducting the business as a mandate means making food product halal as an the instrument to realize the mandate and responsibility of Allah trusted to them as the vicegerent of Allah on the earth. In the mandate metaphor there are three important elements to considere mandate giver, mandate receiver and mandate itself. The mandate giver is Allah requiring the human managing industry justly and humanly. The business product managed by the producer should put the self and consumer's interest proportionally between the material and spiritual utility values of the products. Thus, in determining the case of business, someone will not be entrapped in the destructive pragmatic interest. It is here the importance of what Schumacher states as "metaeconomy" or "metabusiness".

In lines with such holistic postmodernism philosophy, the study reveal adequate evidence to overthrow the logocentrism of ala-capitalism business which makes business as a tool of gaining material profit, the businessmen are greedy, selfish and materialistic. The following coment shows that business has an in-depth spiritual vision.

We run the business not only for achieving the material profit. This business also contains the social and spiritual importance. With this attempt we can donate for the goodness to the old people through the release of tithe, infaq and alms given directly to the needy, and college students. Having capability of employing anumber of employees implies the goodness because of helping others.

Humanity value and spiritual intelegence in the perspective above are *ta'awun*, the conscience calling to meet others' needs and rights directly and indirectly involved in the industry. Business also is an instrument to help others transforming themselves by means of education, facilitating others to conduct self-transformation by investing time and effort in the business activity.

Regarding to the fact, Danah Zohar and Ian Marshall (2004) said that one makes us intact and capable of integrating various fragments of our life, activity, and existence. It aslo enable the birth of insight and conception to switch from the deep side to the surface side of our existence. The place where we act, think and feel.

Spiritual Vision in Product Brand

Business practice guided by the spiritual vision is considered capable of leading someone to achieve noble meaning, objective and value. It inspires businessman to continuously create

and establish the chance as well as to share much more with others. Thus, a number of producers named their industry's product with the religious terms containing the spiritual vision such as *barokah* (blessing), *nikmat* (grace) and *hidayat* (God's guidance).

Blessing Sacredness

This term has a normative meaning which is frequently chosen by the home industry owner as their product brand. The term blessing sacredness is defined by the owner as virtue, that is, the goodness grace Allah gives to His creature, physically and spiritually. Barokah is the abundant and varying as well as sustainable virtuousities (Sarkaniputra, 2004). The blessing of God frequently comes from unexpected direction or considered as material and not limited or even measured.

To the owner, blessing (*barokah*) means expectation of getting kindness from the livelihood through the business they conduct in industry whether in the form of material or non-material. It also contains the meaning of goodness that someone gets from using the leisure time, avoiding standing idle as religion commands to avoid the unemployment which creates mental dependence even poverty. The producers maintain their business behavior consistent with the religion rules, feel being overseen and controlled by the Almighty during they conduct their business.

The producer's expectation to get virtue as the intrinsic value inherent to a product brand with spiritual nuance implies that the product produced give a wide range of benefits, physically and spiritually, individually and socially. Such expectation also indicates the producer's perception on the co-existence between the material and the spiritual needs, the two inseparable aspects.

Guidance Cult

Another term used as the name of food product is guidance (*hidayah*). The inclusion of word *hidayah* as the name of industry product perceived as spiritual dimension. Essentially, *hidayah* means the religious hints when one undertakes persistently and *istiqomah* it will elicit the happiness in the world and hereafter. M Quraish Shihab cited by Murasa Sarkaniputra (2004) divides *hidayah* into two types: *firstly*, the hint toward the world and *ukhrawi* (hereafter) happiness that is an individual's capability of giving hint to the straight way. *Secondly*, the

capability of implementing the content of hint and can be done only by Allah as indicated in the verse of Qur'an Chapter 42 verse 52.

And thus did We reveal to you an inspired book by Our command. You did not know what the Book was, nor (what) the faith (was), but We made it a light, guiding thereby whom We please of Our servants; and most surely you show the way to the right path: (QS.42:52)

Hidayah in the perspective of producers contains the virtuous values. They believe that God as the source of guidance gives *hidayat* (livelihood) to individual, both materially and immaterially. *Hidayah* can be obtained when they serve others through producing and distributing the products in the good and right way as religion provision, halal and good quality. It is needed by the producers based on their belief that human personality internally relates to other things such as the relation with others, institution, nature, and God (Griffin, 1988: 17). Thus, business activity must be directed to get the *maslahat* (advantages) and refusing disadvantage. In other words, the product is reasonable to consume because its utility does not break the ethical principles.

According to Danah Zohar and Ian Marshall (2004) shown that there has been a large number of evidences showing that organization carrying out business starting from the in-depth awareness of meaning, rich vision, high responsibility, and a series of shared fundamental value has the opportunity to enjoy the long-term competitive advantage compared those focusing on their own interest only (Zohar and Marshall, 2004: 67).

EPILOGUE

The previous exploration has given us an empirically pictures on the business behaviour of the manufacturers producers toward the halal label. Generally speaking, their understanding on the halal label is as a mean to give the protection for the consumers. The inclusion of halal label in their product creates the respectful business behavior, concerned with the material, social and spiritual profit as well. The halal label is able to give protection to the consumers whether in meeting the food requirement, comfort in consuming, taste, physical, hygiene and spiritual safety for the producers and the interest of consumer professionally, proportionally and simultanously.

The vision of halal food products business impacts the shifting paradigm of the business world. The producers perceive the business as an activity that not only hunts the material profit

track. Their willingness to intervene the material profit with the social and spiritual values in their business activities becomes the primary foundation of the changing business ethos and the shifting business paradigm. The end of their willingness is to get a wholeness *falah* (*happiness*) in the world and the hereafter. The spiritual vision presents in varying forms such as: (1) the awareness of business actor on seeing the accountability of business is not only to the consumer (society) and God but also themselves; (2) Carrying out *tazkiyatun nufus* from the industry profit through tithe, *infaq* and alms, (3) the given name of products reflect the expectations on getting the blessing (*barakah*) of God and getting the guidance (*hidayah*) of God.

Regarding with the business behavior of the producers above, it appears to support the premises put forwarded by some experts that the complete purposes of business in the perspective of Islamic ethics is to simply meet the individual, family, public need both in short and long-term and for helping social interest and donating in the way of God (Siddiqi, 1991 and Kahf, 1995 and Khaldun, 1993). While in the other theory of business ethics, the behavior of the producers in threatening the halal food products reflect the religious and utility ethics.

In the religious ethics there has a popular theory known as the 'Divine Command' which argues that the right actions are solely of God command them. Some religious believers (Muslim and Christians) believe that God not only has the power to make laws on behalf of humanity but is able to back them up by sanctions (Chryssides and Kaler, 1995; Garrott, 1992; Lagan, 2000 and Weber, 2005). God reward the righteous with the joys of heaven, and consign the wicked to the torments of hell.

Thus, in the perspective of religious ethics, halal products enable the producers to experience a sense of belonging to individual, social, and religious tradition which covers *li hifdz al dien* (to protect the religion), *li hifdz al nafs* (to protect the self), *li hifdz al aql* (to protect the ratio), *li hifdz al mal* (to protect the material) and *li hifdz al nasl* (to protect the heredity) (Asy-Syatibi). While in the perspective of utility ethics the behavior of the producers in responding the halal products inspired by the maximum profit. Rationally, the producers have the ability to read the situation and condition of the market segment which is dominated by the Muslim consumers. The utility of halal label inspires the producers to produce more halal products. Utility underlies the usefulness of the products. The utility ethics theory has postulate which states that the more good which result from the action the more utility it has (Chryssides and Kaler, 1995).

In lines with the behavior of producers in producing the halal products, it is obvious that the utility ethics inspires their behavior of production. They motivated by the chance to have a great amount of utility such as helping others, donating social activities, avoiding jobless, gaining material profit, having the sense of social and spiritual belonging.

REFERENCES

- Ahmed, Ehsan (ed). 1992. Economic Growth and Human Resource Development in an Islamic Perspective. Herndon: The International Institute of Islamic Thought.
- Ahmed, Karen H. 2007. The Business of Culture: Morality and Practice In Islamic Finance. Dissertation. Unpublished, Chicago University Illinois.
- Al Faruqi, Ismail Raji. 1992. Tauhid: Its Implication for Thought and Life. Herndon: The International Institute of Islamic Thought.
- As Syatibi, Abu Ishaq. T.t. Al- Muwâfaqat fî Ushûl al Syari'at. Dâr al Kitâb al 'Ilmiyât: Bairut Libnân.
- Barry, Norman. 1991. The Morality of Business Enterprise. Aberden University Press: Farmers Hall, Aberden
- Beekun, Rafik Issa. 1996. Islamic Business Ethics. Herndon, USA: International Institute of Islamic Thought.
- Bennion, Lowell L. 1992. The Business Ethics of the World Religions and the Spirit of Capitalism. International Journal of Politics, Culture and Society, Vol. 6, No. 1. p. 39-72.
- Bistari, Zurina Mohd. 2004. Standardisation for Halal Food. Standards & Quality News. July – August Vol. 11 No. 4
- Brennan, Geoffrey and Eusepei, Giuseppi, 2009. The Economics Ethics and The Ethics of Economics Value, Markets and the State. Edward Elgar Publishing: Massachusetts USA.
- Canadian Agri-Food Trade Service, Global Halal Food Market Brief. June 2008. <http://www.ats-sea.agr.gc.ca/africa/4491>. Online, accessed March 13, 2013.

- Carroll, A., 1993. *Business and Society: Ethics and Stakeholder Management*. South-Western Publishing, Cincinnati.
- Chaudhry, Muhammad Sharif, 2012. *Fundamentals of Islamic Economic System*.
http://www.muslimtents.com/shaufi/b16/b16_2.htm#1.%20Achievement%20of%20Falah
 . On line, accessed, 29 June.
- Chrysides, G. D dan John H. K. 1993. *An Introduction to Business Ethics*. London:Chapman & Hill.
- Čihák, Martin and Hesse1, Heiko. 2008. *Islamic Banks and Financial Stability: An Empirical Analysis*. International Monetary Fund. IMF Working Paper
- Elangkovan, Kaviyarasu and Said, Muhammad M. 2013. *Developing human business leaders: lesson to be learnt from the collapse of Enron corporation*. Australian Journal of Basic and Applied Sciences.
- Fakhari, 2011. *The Executive Manager of Islamic Chamber Research and Information Center (ICRIC)*. No.11– March 2011
- Garrott, Geoffrey R. 1992. *Ethics in Business A Deeper Approach*. Australia: The Institute of Business Ethics.
- Golnaz, R., et.al. 2010. *Non-Muslims' awareness of Halal principles and related food products in Malaysia*. International Food Research Journal 17: 667-674.
- Griffin, David R (ed). 1988. *Spirituality and Society: Postmodernism Vision*. New York: Albany
- J.D Perry, Frederick V and Rehman, 2011. *Scheherazade S. Globalization of Islamic Finance: Myth or Reality?* International Journal of Humanities and Social Science Vol. 1 No. 19; December.
- Jabbar, Siti Faridah Abd, 2008. *The Shari's Supervisory Board: a potential problem in Islamic finance?*, Comp. Law , 29(1), 29-32.
- Jacob. 1978. *Religious Thought and Economic society*. Duke University Press.
- Jung, C G. 1981. *Modern Man in Searching of a Soul*. London:Routledge Kegan Paul.
- Jurnal LPPOM MUI. *Halal*. No. 62/X/2006
- Khaldun, Abd. Rahman, 1993. *Mukaddimat Ibn Khaldun*. Beirut Libnân: Dâr al Kutûb al 'Ilmiyât, 311).
- Kuran, Timur. 1995. *Islamic Economics and the Islamic Sub-economy*. The Journal of Economic Perspectives. Vol. 9, No. 4 (Autumn), pp. 155-173.
- Lagan, Attracta. 2000. *Why Ethics Matter Business Ethics for Business People*. Australia: Information Australia.
- Max Weber. 2008. *The Protestant Ethic and the Spirit of Capitalism*. Routledge:London and New York. Viner,
- Memon, Noor Ahmed. 2007. *Islamic Banking: Present and Future Challenges*. *Journal of Management and Social Sciences* Vol. 3, No. 1, p. 01-10
- Muhammad, R. 2013. *Branding Halal Food as Safe, Healthy and Clean*. Halal Journal, available at <http://www.halaljournal.com/article/635/branding-halal-food-as-safe,healthy-and-clean>. Online, accessed March, 13, 2013.
- Power, Carla. 2008. *Power*. Halal goes global. New Statesman, 9 June.
- Ruhe, John and Lee, Monle. 2008. *Teaching Ethics in International Business Courses: The Impacts of Religions*. *Journal of Teaching In International Business*, Vol. 19(4).

- Sakr, Ahmad. 1993. A Muslim Guide to Food Ingredients. Lombart Illionis:Foundation for Islamic Knowledge.
- Sakr, Ahmad. 1996. Understanding Halal Foods Fallacies and Facts. Lombart Illionis: Foundation For Islamic Knowledge.
- Stiglitz, Joseph E. 2003. The Roring Nineties: A New History of the World Most Prosperous Decade. New York: WW Norton and Company.
- Zohar, Danah dan Ian Marshall, 2004. Spiritual Capital:Wealth We Can Live by Using Our Rational, Emotional, and Spiritual Intelligence to Transform Ourselves and Corporate Culture. London:Blumsbury.