



Opportunities and Challenges of Halal Standards Policy in IMT-GT

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ABSTRACT

Halal standard policies in the IMT-GT region (Indonesia, Malaysia, Thailand - Growth Triangle) are needed due to the increasing global demand for halal products. With a majority Muslim population, the region has great potential in the development of the global halal industry. Harmonization of halal standards is needed to facilitate cross-border trade, reduce regulatory barriers, and strengthen the competitiveness of halal products in the global market. This study uses a qualitative approach with the library research method. Data is collected from books, journal articles, reports, and documents. Researchers conduct in-depth analysis of the literature to identify themes, patterns, and relationships related to halal standards. The theory of liberalism is the basis of the analysis in this study. This theory emphasizes cooperation between countries and economic interdependence as drivers of peace and prosperity. In the context of IMT-GT, liberalism is appropriate to encourage the harmonization of halal standards to facilitate cross-border trade and investment. The role of international institutions is also crucial in supporting dialogue and cooperation between countries. The results of the research show that halal standards in IMT-GT open up great opportunities to strengthen access to halal products to the global market and increase investment in related sectors. However, the main challenges include differences in national policies, regulations, and halal certification. ASEAN and international institutions play a role in facilitating dialogue and coordination between countries to achieve integrated halal standards, so as to strengthen the competitiveness of regional halal products in the global market.

Keywords: *Halal standard, IMT-GT, Policy.*

INTRODUCTION

Halal standards policies in the IMT-GT region (Indonesia, Malaysia, Thailand - Growth Triangle) have become an issue in international trade and regional economies, in line with the increasing global demand for halal products. With a large Muslim population and rapid growth of the halal market, IMT-GT member countries have great potential to develop a competitive halal industry at the global level (Irewati & Nufus, 2024). However, to maximize this potential, harmonization of halal standards is a must. Harmonization is needed to facilitate more efficient cross-border trade, reduce barriers caused by regulatory differences between countries, and create uniformity in halal product certification. Within this framework, the theory of liberalism offers the perspective of emphasizing cooperation between countries and economic interdependence as the key to achieving common goals in the development of the halal industry (Lord & Tangtrongita, 2014).

This research aims to explore the opportunities and challenges faced in the process of harmonization of halal standards in IMT-GT. The scope of the research includes an in-depth analysis of existing policies and regulations, as well as the economic potential that



can be generated from halal standards in the region (Wiranata, Tarumanegara, Meutia, & Simbolon, 2020). In addition, the study will also discuss the role of international institutions in supporting cooperation between member states, including how these institutions can facilitate closer dialogue and collaboration. With this approach, it is hoped that the research can provide a more comprehensive insight into the dynamics of halal policies in the IMT-GT area, as well as provide strategic recommendations to increase cooperation and competitiveness of halal products in the global market.

METHODS

The methodology of this research uses a qualitative approach with the library research method, where the researcher focuses on in-depth analysis of written sources such as books, journal articles, reports, and documents. The main sources of data to be used include textbooks and monographs, scientific journal articles that have gone through the peer review process, research reports from government agencies or international organizations, as well as dissertations and theses from previous research (Agusta, 1992). Data collection techniques are carried out by identifying and collecting literature, cataloging the sources found, and reading and analyzing content to find themes, patterns, and relationships between information. The data analysis process will be carried out through the identification of the main themes that emerge from the data collected. Information synthesis will be carried out to combine various insights from the analyzed sources to form a coherent argument (Harahap, 2020).

In addition, the interpretation of the data will focus on the phenomenon being studied. To ensure validity and reliability, this study uses source triangulation, namely by comparing various literatures to obtain more accurate information, as well as critical reflection from researchers to minimize bias. The ethical aspect is also a major concern in this study, where researchers will respect copyright by listing sources correctly, as well as maintaining transparency in the methods and sources used. Through this approach, the research is expected to be able to provide a comprehensive and in-depth understanding of the topic being studied (Barlian, 2016).

RESULT AND DISCUSSION

Liberalism

The theory of liberalism has been developed by various figures who have contributed to modern political and economic thought. John Locke, as a pioneer of liberalism, affirmed the natural rights of the individual, such as the right to life, liberty, and property. He argued that the government should be formed based on the consent of the people to protect these rights (S Widodo, 2017). Adam Smith introduced the principles of liberal economics by emphasizing free markets and competition. He believes that individual freedom in doing business will result in prosperity for the community (Kymlicka, 2002). John Stuart Mill discusses individual freedom and autonomy, emphasizing that freedom of expression is essential for the development of society, as long as it does not harm others (Rosyidin, 2022). Immanuel Kant added an ethical perspective, proposing that individuals should be treated as goals and have



human rights, with the principle of moral autonomy underpinning rational decisions. Friedrich Hayek warned that excessive government intervention could threaten individual freedom, stressing that the free market is the foundation of a prosperous society. Through the thinking of these figures, the theory of liberalism emphasizes individual rights, economic freedom, and moral autonomy as pillars in building a just and prosperous society (Jannes S. Kalangi, 2018).

The theory of liberalism in international relations emphasizes cooperation between countries and how economic interdependence can be the main driver of peace and shared prosperity. This theory can be used to understand efforts to harmonize halal standards between Indonesia, Malaysia, and Thailand. Liberalism argues that countries are more likely to cooperate if they see common interests that can be achieved through collaboration, especially in the economic field (Mokhtar, 2016). In addition, the theory of liberalism emphasizes the role of international institutions in facilitating cooperation. In IMT-GT, the role of regional institutions such as ASEAN and various halal certification organizations in each country has an impact in reducing regulatory barriers and creating a more conducive environment for halal trade (Rosyidin, 2022).

Cooperation Between Countries in Halal Standards

The discussion on cooperation between countries in harmonizing halal standards between IMT-GT member countries (Indonesia, Malaysia, Thailand Growth Triangle) focused on the efforts of these three countries to harmonize policies and regulations related to halal products. These three countries have a role in the regional economy, where the halal sector, especially in the food, pharmaceutical, cosmetics, and tourism industries, plays a role in the economies of each country. Given the economic interdependence between them. Especially through trade and investment in the halal sector, cooperation in harmonizing halal standards is an urgent need. One of the main reasons for this harmonization is to ensure consumer confidence in the global halal market (Fadhil, 2023).

The uniformity of halal standards can strengthen the image of halal products from IMT-GT countries in the international market, facilitate the export and import of products, and prevent trade barriers arising from differences in halal regulations. The harmonization of halal standards also facilitates the flow of investment between the three countries, as investors will be more confident in investing their capital when they know that halal standards in these countries are already coordinated and internationally recognized. In addition, this cooperation can encourage the growth of a more inclusive and sustainable halal sector in the IMT-GT region, strengthening their position as a key player in the global halal market (Lord & Tangtrongita, 2014).

Opportunities

The harmonization of halal standards among the member countries of the Indonesia-Malaysia-Thailand Growth Triangle (IMT-GT) offers a huge opportunity to strengthen the potential economic benefits, especially with the growth of the halal market globally. By harmonizing halal regulations and certification processes, products from Indonesia,



Malaysia, and Thailand can more easily enter international markets that have a high demand for halal products, such as in the Middle East, Europe, and countries with large Muslim populations. This harmonization will eliminate the difference in standards that have been a non-tariff barrier, thereby smoothing the flow of trade and increasing the competitiveness of halal products from the three countries. This will also strengthen the image of halal products from IMT-GT as a quality and trusted product in the eyes of international consumers (Avianto, 2010).

In addition, the harmonization of halal standards has the potential to attract investors, both domestic and foreign, to invest in various halal sectors such as food, beverages, pharmaceuticals, cosmetics, and halal tourism. With coordinated standards and a more stable business environment, investors will feel more confident in investing their capital, thereby encouraging the growth of the halal sector in the IMT-GT region. Another advantage is the increase in exports of halal products, which will expand the market and increase foreign exchange receipts for member countries (Fadhil, 2023).

Challenge

Although the opportunity for harmonization of halal standards among IMT-GT countries is huge, this process is inseparable from various challenges that are quite complex. One of the biggest obstacles is the difference in political and economic interests among member states, such as Indonesia, Malaysia, and Thailand. Each country has different national priorities and economic agendas, which are often inconsistent with each other, creating difficulties in reaching agreement on uniform halal standards. National policies that prioritize domestic interests are often a barrier to the formation of broader agreements. In addition, internal political pressure from various parties in each country also affects their decision-making and commitment in this harmonization process. Each country may also have different views on the economic and political benefits of harmonization of halal standards, which can hinder the pace of negotiations and implementation of agreements at the regional level (Lord & Tangtrongita, 2014).

In addition, different economic policies, including differences in consumer preferences and local regulations, also make it difficult to reach a mutual agreement. Non-uniform halal certification is a crucial challenge in this process, considering that each country has different methods and criteria in the certification process. This variation can create confusion among producers and exporters who want to penetrate the market among IMT-GT countries, as well as hinder the smooth flow of trade in halal products. This lack of uniformity also adds complexity for halal industry players who want to meet certification requirements in various countries, thus potentially reducing product competitiveness and slowing down export growth in this sector (Munawar-Shah, Abdul-Majid, & Hussain-Shah, 2014).

The Role of ASEAN

Harmonization of halal standards in the IMT-GT (Indonesia-Malaysia-Thailand Growth Triangle) area is one of the challenges in regional economic integration efforts, considering the differences in interpretation and regulations related to halal products in



each country. This challenge is even more complex because each country has different social, cultural, and national policy contexts in setting halal standards. To overcome these differences, increased regional cooperation is the main solution. Open and intensive political dialogue is needed so that member countries can understand each other's interests, so that inclusive and mutually beneficial solutions can be achieved. In addition, to build more structured coordination between halal certification bodies in each country to ensure alignment in the implementation of standards (Jannes S. Kalangi, 2018).

ASEAN and other international institutions can play a strategic role as mediators and facilitators that encourage member states to negotiate and seek comprehensive solutions. Multilateral diplomacy will be a tool in this process, as it allows member states to collaborate more closely and reach agreements that take into account the interests of all parties. In addition, through the harmonization of mutually agreed halal standards, it will not only increase the competitiveness of halal products from the IMT-GT region in the global market, but will also create a more solid foundation for the sustainable growth of the halal industry. This effort also has the potential to strengthen regional economic integration, considering the strategic role of the halal industry as one of the fastest-growing sectors in Southeast Asia (Wiranata et al., 2020).

CONCLUSION

Halal standards in the IMT-GT area are a strategic step in facing global demand for halal products. Cooperation between countries in the region can open up great opportunities, including easier access to global markets, increased product competitiveness, and attracting investment in the halal sector. However, challenges such as differences in regulations, certification, and national interests of each country are the main obstacles in achieving uniformity of halal standards. To overcome these challenges, the role of international and regional institutions, such as ASEAN, is needed in facilitating dialogue and collaboration between countries. Through a multilateral diplomacy approach and increased coordination between halal certification bodies, it is hoped that a mutual agreement can be reached that can strengthen IMT-GT's position as a key player in the global halal industry. This harmonization will not only strengthen regional economic integration, but also support the sustainable growth of the halal industry.

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