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ETHICAL CONSUMPTION AND PRODUCTION FROM THE PERSPECTIVE OF HALAL ECONOMY

PENGGUNAAN DAN PENGELUARAN BERETIKA
DARI PERSPEKTIF EKONOMI HALAL

[i]*Shahida Shahimi, [ii]Siti Aisyah Zahari

[i-ii]Research Center for Sustainable and Inclusive Development (SID),
Faculty of Economics and Management,
Universiti Kebangsaan Malaysia,
43600 UKM Bangi, Selangor

Corresponding Author; e-mail: *shahida@ukm.edu.my

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ABSTRACT

The halal economy, which includes the food and various service sectors such as finance, is a rapidly growing global market. Fundamentally rooted in Islamic principles and ethical values, the halal economy promotes responsible and sustainable practices in both consumption and production. However, this economy faces several ongoing challenges, including the lack of a standardized global halal certification system, low levels of consumer awareness, and supply chain integrity issues. These challenges undermine the credibility and long-term sustainability of the halal economy, especially in the international markets. This study explores the role of ethical consumption and production in strengthening the resilience and sustainability of the halal economy. Guided by the *maqasid al-shariah* framework and aligned with Sustainable Development Goal (SDG) 12, which focuses on responsible consumption and production, the study emphasizes how Islamic ethical values can shape sustainable economic behaviour. Using a qualitative research approach based on document analysis of past studies and conceptual analysis, the study identifies key ethical practices, such as fair trade, animal welfare, and health awareness among consumers as critical contributions to a more just and ethical halal economy. Findings show that integrating ethical values into economic activities not only reinforces religious principles but also enhances global competitiveness, consumer trust, and long-term industry viability. The study recommends the harmonization of global halal certification standards and stronger collaboration among governments, industries, and academia to develop effective policies and educational initiatives. Practically, the study provides a value-based framework for policymakers and halal industry stakeholders to institutionalize ethical practices for inclusive economic development and a fairer global market.

Keywords: Islamic economics, *Maqasid al-Shariah*, Sustainable Development Goals (SDGs)

ABSTRAK

Ekonomi halal merangkumi sektor makanan dan pelbagai perkhidmatan termasuk kewangan merupakan suatu pasaran yang sedang berkembang pesat seluruh dunia. Pada asasnya, ekonomi halal berasaskan prinsip dan nilai etika Islam, serta menggalakkan amalan penggunaan dan pengeluaran yang bertanggungjawab serta lestari. Walau bagaimanapun, perkembangan ekonomi ini berdepan pelbagai cabaran seperti ketidaksamaan sistem pensijilan halal global, tahap kesedaran pengguna yang rendah, dan isu integriti rantaian bekalan. Cabaran-cabaran ini menjejaskan kredibiliti dan kelestarian ekonomi halal, khususnya di peringkat antarabangsa. Kajian ini meneroka peranan penggunaan dan pengeluaran beretika bagi memperkukuh daya tahan dan kelestarian ekonomi halal. Berpandukan kerangka *maqasid al-syariah* dan diselaraskan dengan Matlamat Pembangunan Mapan (SDG) 12 iaitu penggunaan dan pengeluaran yang bertanggungjawab, kajian ini menekankan bagaimana nilai-nilai etika Islam boleh membentuk tingkah laku ekonomi yang lestari. Kajian kualitatif ini menggunakan kaedah analisis dokumen berdasarkan karya literatur dan analisis konseptual, kajian ini mengenal pasti amalan beretika utama seperti perdagangan yang adil, kebajikan haiwan, dan kesedaran kesihatan dalam kalangan pengguna sebagai penyumbang kepada ekonomi halal yang lebih adil dan beretika. Dapatan kajian menunjukkan bahawa pengintegrasian nilai etika dalam aktiviti ekonomi bukan sahaja mengukuhkan nilai agama, tetapi juga meningkatkan daya saing global, kepercayaan pengguna dan kelestarian industri jangka panjang. Kajian ini mencadangkan penyelarasan piawaian pensijilan halal global dan kerjasama antara kerajaan, industri dan akademia untuk merangka dasar dan inisiatif pendidikan. Secara praktikal, kajian ini menyediakan kerangka nilai bagi pembuat dasar dan pemain industri halal bertujuan menginstitusikan amalan etika ke arah pembangunan ekonomi inklusif dan pasaran global yang lebih adil.

Kata kunci: Ekonomi Islam, *Maqasid al-Syariah*, Matlamat Pembangunan Mapan

INTRODUCTION

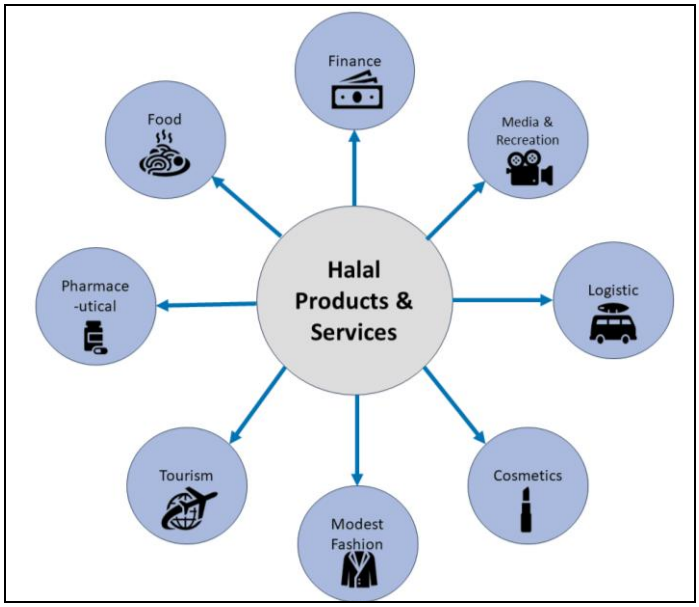
The concept of halal is derived from the Arabic word halal, which means ‘permissible’ or ‘lawful’. In the context of Islamic law, halal refers to anything that are permissible, allowed, legal, or lawful for Muslims to consume or use. The opposite of halal is *haram*, which means forbidden and prohibited. The Quran and Sunnah as the main sources of Islamic law provide guidance on this matter. For example, in the Quran Surah Al-Baqarah, Allah the Almighty addresses the example of halal and halal concepts regarding food consumption:

إِنَّمَا حَرَّمَ عَلَيْكُمُ ٱلْمَيْتَةَ وَٱلدَّمَ وَلَحْمَ ٱلْخِنزِيرِ وَمَآ أُهِلَّ بِهِۦ لِغَيْرِ ٱللَّهِۖ فَمَنِ ٱضْطُرَّ غَيْرَ بَاغٍ وَلَا عَادٍ فَلَآ إِثْمَ عَلَيْهِ ۚ إِنَّ ٱللَّهَ غَفُورٌ رَّحِيمٌ

which means,

> *“He has only forbidden you to eat carrion, blood, swine, and what is slaughtered in the name of any other than Allah. But if someone is compelled by necessity neither driven by desire nor exceeding immediate need, they will not be sinful. Surely Allah is All-Forgiving, Most Merciful”* (Al-Baqarah, 2:173)

The above verse emphasizes the concepts of halal and *haram* by listing specific products that are forbidden while recognizing the idea of necessity and offering pardon to people who are forced to consume forbidden items due to extreme circumstances. However, the understanding of halal goes beyond the food sectors and includes all permissible economic activities. The halal economics encompasses a broader economic activity that contribute to the economic well-being of (not limited to) the Muslims including food, finance, health, fashion, and tourism sectors. The Halal economy nowadays comprises of wider segments and not limited to food and beverages (refer Figure 1).



Sources: Authors compilation (2023)

Figure 1: Segments of Halal Economy

The concept of halal holds that economic activity and moral principles should not be separated from one another which includes both ethical production and ethical consumption. This concept can be reflected on ethical business practices, social responsibility, and environmental sustainability, and often at odds with the profit-driven motives of the modern economy. Moreover, the halal sector has the potential to help achieve the Sustainable Development Goals (SDGs) by promoting responsible consumption and production as outlined in the SDG 12. It requires more efficient and environmentally friendly management of materials across the lifecycle, through production, consumption, and disposal, hence calls for a comprehensive set of actions from businesses, policymakers and consumers to adapt to sustainable practices in production and consumption.

This paper is organized as follows: first, it presents the overview of ethical consumption in halal followed by the overview of ethical production in halal. Subsequently, it explores the consumption and production challenges in halal economy. The last section concluded the discussion.

ETHICAL CONSUMPTION AND HALAL ECONOMY

Ethical Consumption

According to Doane (2001) and Starr (2009), ethical consumption refers to responsible consumption and purchasing behaviour that adheres to specific moral principles, including the support of equitable wages, worker safety, and worker rights. In addition, ethical consumption encompasses all phases of the consumption cycle, including acquisition, consumption, and post-consumption activities (Wells, 1993; Reczek & Irwin, 2018).

In practice, consumers can incorporate moral considerations into their purchasing decisions in a variety of ways. Firstly, they can practice ethical consumption by always reading the label of the products and reading their description. Through it, consumers could find out information about the environmental impact of a product, and the general business practices of the firm. In addition, consumers can conduct research to learn more about the ethical considerations of various items online or through available literature. To enhance ethical consumerism, a customer might inquire with companies about their ethical standards to assist the firm in realizing the importance of ethical consumption and in modifying their procedures.

Ethical consumption is being highlighted in SDG12 which are sustainable consumption and production. There are two main ways to contribute to SDG12 through ethical consumption. Firstly, by reducing waste and secondly, being mindful while making purchases and selecting sustainable options whenever available. Therefore, a consumer needs to avoid throwing food away and limit the use of plastic, which is one of the primary factors of ocean pollutants.

Guiding Principles for Ethical Consumption in Islam

In the halal economy, Muslims must avoid indulgence and spendthrift behaviours, as Allah Almighty stated in the Quran regarding managing wealth and consumption. Allah the Almighty:

وَءَاتِ ذَا ٱلْقُرْبَىٰ حَقَّهُۥ وَٱلْمِسْكِينَ وَٱبْنَ ٱلسَّبِيلِ وَلَا تُبَذِّرْ تَبْذِيرًا ٢٦ إِنَّ ٱلْمُبَذِّرِينَ كَانُوٓا۟ إِخْوَٰنَ ٱلشَّيَٰطِينِ ۖ وَكَانَ ٱلشَّيْطَٰنُ لِرَبِّهِۦ كَفُورًا ٢٧

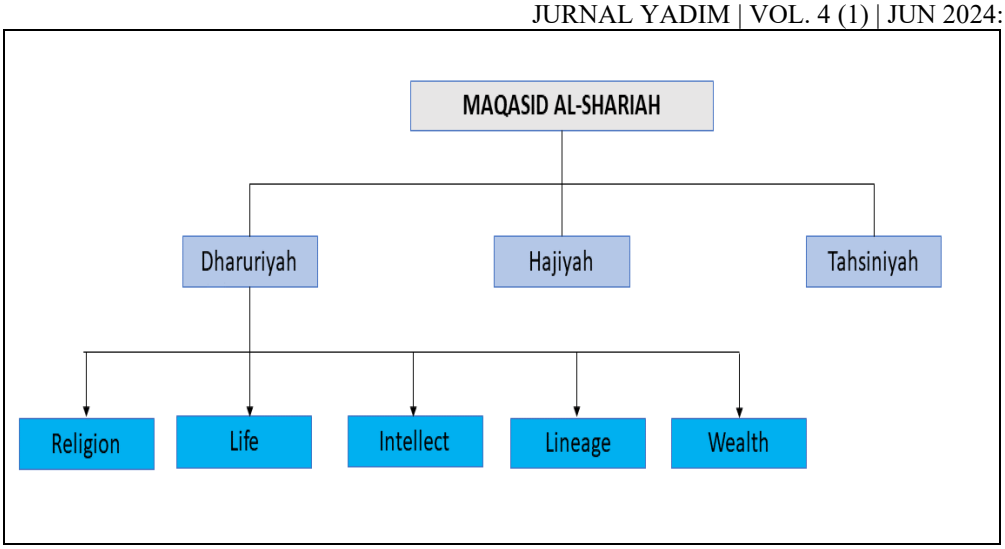
which means,

> *"Give to close relatives their due, as well as the poor and ˹needy˺ travellers. And do not spend wastefully (26) Surely the wasteful are ˹like˺ brothers to the devils. And the Devil is ever ungrateful to his Lord (27)."* (Al-Isra, 17:26-27)

These verses portrayed that Islamic religion detests wasting money on unnecessary expenses and consuming wealth while abandoning the poor. According to Islamic teaching, the use of wealth was addressed through the application of *maqasid al-shariah*. *Maqasid al-shariah* is an Islamic ethical framework that seeks to uphold the five essential principles of Islam.

There are three *maslahah* according to *maqasid al-shariah* that need to be prioritized in consumption of products and services including in halal economy. *Maslahah* is divided into three main categories which are *dharuriyah, hajiyah* and *tahsiniyah*. *Dharuriyah* (the essential) refers to a 'must' (priority) and basic for the establishment of welfare in this world and the day after. In the sense that if people ignore, then the coherence and order unable to establish and will cause obvious loss in the world Hereafter. Secondly, *hajiyah* (the complementary) referring to provision of shariah which aim at facilitating life and removing hardship such as permission of hunting, use halal goods for food, *salam* contract and *ijarah* contract in business and environment protection. Whereby the third, *tahsiniyah* (the embellishments) can be defined as a kind of refinement and perfection in the custom and conduct of people at all levels of achievement such as eating delicious foods, buy a beautiful clothes and extra furniture for new house.

The five pillars of *dharuriyah* are namely, preserving: 1) *deen* (religion); 2) *nafs* (life); 3) '*aql* (intellect); 4) *nasl* (lineage); and 5) *maal* (property) have been unanimously advocated by Islamic scholars as being essential for a Muslim to uphold in their daily lives. In addition, it is vital to uphold one's faith because it serves as the supreme rule of *maqasid al-shariah*. Figure 2 conceptualizes the *maqasid al-shariah* in Islam.



Sources: Authors' compilation (2023)

Figure 2: The *Maqasid al-Shariah*

Muslims are first obligated to preserve their religious commitment to Allah in their consumption activities. They are commanded to follow Islamic teachings and values in their consumption, and to avoid impermissible behaviours such as lavish consumption, envy, and egoism. Secondly, preserving life in Islam is not only about adhering to the halal principle, but also about taking care of the health and safety of the body by consuming safe, clean, and quality products and services. This behaviour will lead to a blessed and peaceful life. Moreover, among the *hikmah* and beneficial of consuming halal product is could preserve the intellectuality of consumer.

In addition to that, regarding the fifth principle of *maqasid al-shariah* (preserving the wealth), consumer must avoid miserable and excessive spending in their consumption. Instead, Muslims are encouraged to practice balanced consumption. Balanced consumption is beneficial for both the individual and the community. It can help to reduce financial problems, promote social harmony, and protect the environment (Musadik et al., 2020).

Before engaging in any transaction, consumers should review the five principles of *maqasid al-shariah* in Islam to avoid any negativity in consumerism. In conclusion, by taking all these guiding principles into account, we can make ethical consumption decisions that are both good for ourselves, community, lineage, environment, and the world. In doing so, we can contribute to a more just, sustainable, and compassionate world.

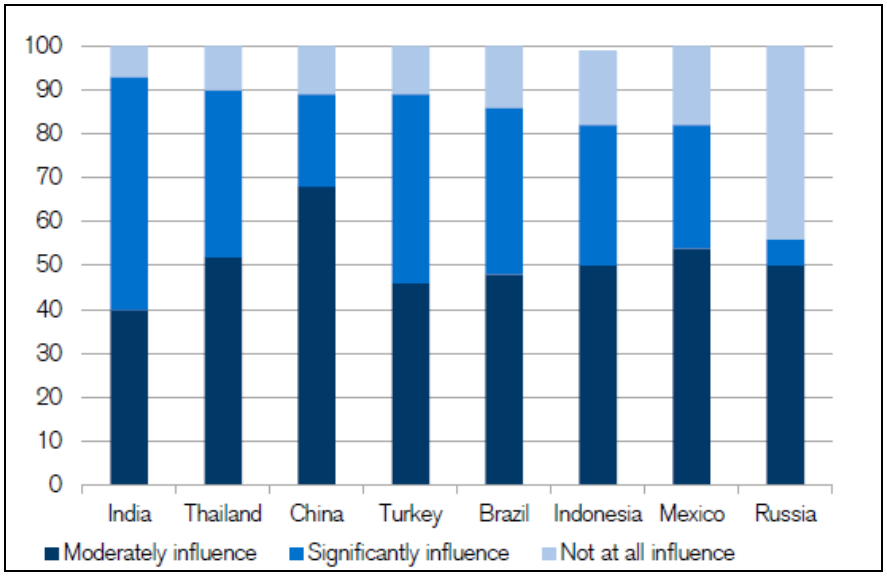
Ethical Consumption Practices in Halal Economy

By 2024, the world's consumption of halal products and services is projected to increase by 3.5% yearly to reach USD2.4 trillion (Dinar Standard, 2021), mostly due to the world's rapidly expanding Muslim population. According to Bank Negara Malaysia (2021), the factor of this consumption is also due to the growing ethical consumerism trend among consumers. Among the ethical consumption practices in the modern halal economy are: -

Consuming sustainable product

The fact is that consumers from all generations, from Baby Boomers to Generation Z, are now willing to pay more for sustainable products (Forbes, 2022). Sustainable consumption considers the environmental, social, and economic impacts of the products and services they prefer. People are increasingly demanding sustainable living and responsibly produced food due to several factors, including concerns about the environment, regulation, and public pressure (Mabkhot, 2023). McKinsey (2023) reported that 60% of United States consumer are willing to pay more on sustainable products. Whereas, Ernst & Young (2021), reported that 58% of consumers choose sustainable products to shape a sustainable future for future generations.

Figure 3 highlights the environmental consideration among consumers which are part of sustainability agenda. The figure portrays that consumer globally concern on the environmental impact from their behaviour. As the demand for sustainable halal products continues to grow, we can expect to see even more businesses offer these products in the years to come.



Sources: Emerging Consumer Research Survey (2021)

Figure 3: Environmental Concern on Consumers Spending Behaviour

Animal welfare

Animals have a right to be treated with respect, compassion, and concern; to have access to water, food, and shelter; and not to be frightened, overworked, overburdened, deformed, or compelled to act in a way that is against the nature of their species; to be used for entertainment purposes; or to be provoked into combat. If they must be killed for food, it should be done considerately and humanely (Farouk et al., 2016). Moreover, Allah stated in Surah Al-An'am:

وَمَا مِن دَآبَّةٍ فِي ٱلْأَرْضِ وَلَا طَٰٓئِرٍ يَطِيرُ بِجَنَاحَيْهِ إِلَّآ أُمَمٌ أَمْثَالُكُم ۚ مَّا فَرَّطْنَا فِي ٱلْكِتَٰبِ مِن شَىْءٍ ۚ ثُمَّ إِلَىٰ رَبِّهِمْ يُحْشَرُونَ

which means,

"All living beings roaming the earth and winged birds soaring in the sky are communities like yourselves. We have left nothing out of the Record. Then to their Lord they will be gathered all together." (Al-An'am, 6:38)

According to Ibn Kathir in his interpretation, the meaning of "people like you" in the verse above is the creatures created like you too (The Office of Mufti Wilayah Persekutuan, 2021). Other than that, animal welfare also needs to be concerned during slaughter. The Prophet Muhammad said:

إِنَّ اللَّهَ كَتَبَ الْإِحْسَانَ عَلَى كُلِّ شَيْءٍ، فَإِذَا قَتَلْتُمْ فَأَحْسِنُوا الْقِتْلَةَ، وَإِذَا ذَبَحْتُمْ فَأَحْسِنُوا الذَّبْحَ، وَلْيُحِدَّ أَحَدُكُمْ شَفْرَتَهُ فَلْيُرِحْ ذَبِيحَتَهُ

which means,

"Allah Almighty has established ihsan over all things. If you kill, then kill well. If you sacrifice, then make the sacrifice acceptable. Sharpen the slaughtering tools and rest the slaughtered animals." (Hadith 17, 40 Hadith an-Nawawi)

Indeed, the Al-Quran verse and Hadith mentioned clearly on the important of animal welfare. According to Farouk et al. (2016), people prefer halal meat that meet four points of view including, 1) the scientific approach to animal welfare; 2) the ethic-based approach to animal welfare; 3) Islamic dietary laws; and 4) the Islamic ethic about the role of animals in the world. According to Islamic Services of America (ISA) (2022), consumer continuously monitor the animal welfare in production, and this had been second most pressing issues among consumers.

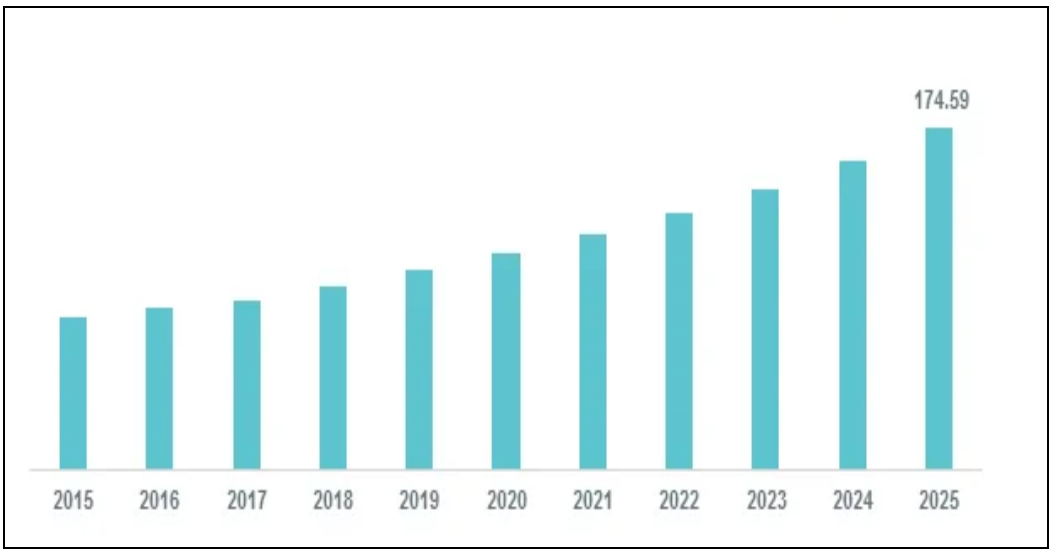
Health consciousness

Consumer behaviour toward health consciousness has been increasing since the pandemic COVID-19. Health consciousness could be described as caring about health, worrying more about health, seeking information about health, and appreciating healthy conditions (Gould, 1988). Health consciousness and halal consumption are inextricably linked as individuals began eating healthy and hygienic foods (The Jakarta Post, 2020). This is because halal products are typically seen as being more hygienic and safer than non-halal products. Additionally, many people believe that halal products are healthier than non-halal products.

The halal pharmaceutical sector is the most favourable and valuable during the health crisis (Jaiyeoba, 2021). *Halal* medicines are seen as a good option for preventive care, as they are often made with natural ingredients and do not contain any *haram* ingredients. As halal industry urge on the hygiene requirement of the medicine, this means that halal medicines are typically produced in a safe and ethical way.

Figure 4 highlights the halal pharmaceutical market according to Adroit Research Market in 2019. The trend and market forecast shown the halal pharmaceutical segments in increasing year by year. Moreover, the market forecast expected the consumer behaviour toward halal pharmaceuticals will exceed USD131 billion. The ethical consumption in halal

economy in pharmaceutical sectors brings significant impact toward the growth of halal industry and proving to be the role model in resilience and agility.



Sources: Adroit Market Research (2019)

Figure 4: Halal Pharmaceutical Markets (2015-2025)

In a nutshell, ethical consumerism within the halal economy is crucial to accelerating the expansion of the halal industry. Customers are urged to support organizations and projects that place a high value on fairness, social responsibility, and environmental sustainability while avoiding unethical practices. Adopting ethical consumption habits can have a significant impact on the halal economy. Ultimately, adopting ethical purchasing practices within the halal economy enables consumers to make savvy choices that not only meet their individual needs but also promote social justice, environmental sustainability, and the well-being of all parties involved.

ETHICAL PRODUCTION AND HALAL ECONOMY

Ethical Production

Ethical production refers to the production function or activities that aim to protect the consumer or society by adhering to the business ethic (Juneja, 2015). In another words, ethical production can be referred to the production of goods and services in a way that respects the rights of workers and the environment. Ethical production plays a crucial role in fulfilling the halal economy's goal of assuring adherence to Islamic regulations and fostering social responsibility. However, many factors need to be considered as the ethical production

is a complex issue. Producers need to follow a few ethical principles in production including respect for human right, environmental protection and transparency.

Ethical production in halal economy is very much linked to the sustainable consumption and production as highlighted in SDG12. There are some examples of how ethical production in the halal economy can contribute to sustainable production in SDG12. Firstly, business owner could use renewable energy such as solar and wind power to reduce the greenhouse gas emissions and protects the environment. In addition, they also can minimize the water usage in production to conserve the resources. A deeper knowledge of how products' impact on the environment and society are required for both product life cycles and how it affects the lifestyle.

Guiding Principles for Ethical Production in Islam

Islam prohibits certain behaviour, products and services and anyone who disobeys will suffer the consequences from Allah Almighty in the afterlife. Basically, based on what has already mentioned, the assurance of *maqasid al-shariah* compliance is the major element that is emphasized to the producer in *Halal* production (Othman et al., 2018). The objective of Islamic jurisprudence as a guideline to achieve happiness in the world and the Hereafter by the Lawgiver in almost all aspect of legal rulings based on Quran and Hadith. These principles can be used as a guiding principle for production in halal economy in several ways.

The production for halal products and services should adherence to Islamic values includes ensuring that the products and services at premises are in line with Islamic teachings. In production, businesses need to ensure that their products and services do not violate the principles of din by avoiding products that are *haram* in Islam. Moreover, they need to make sure that their products and services do not violate the principles of *nafs* by ensuring that they are safe and do not cause harm to people. The products and services must also do not violate the principles of *'aql* by ensuring that they are not harmful to the mind or body. This show that the ethical production in Islam requires ensuring that products and services are halal*an thoyyiban* (permissible and good, wholesome).

In term of *nasl*, all products and services must avoid from producing products that can be harmful to the lineage of the community. For example, the medication or health products that have been produced must comply with the Ministry of Health which does not contain harmful chemicals or that are addictive to avoid any health issue in the future. Businesses

should also avoid producing products that are harmful to the environment, as this could have a negative impact on the health of future generations. Ethical production should prioritize the well-being and interests of people rather than being solely product centric. This means considering the impact of production on individuals, society, and the environment.

Every business must ensure the quality of their products and services. All products and services must be produced in good ways without exploiting workers or the environment. This is to make sure the al-mal that been highlighted as fifth principle in *maqasid al-shariah* been comply. Allah Almighty mentioned in Al-Baqarah:

يَٰٓأَيُّهَا ٱلَّذِينَ ءَامَنُوٓاْ أَنفِقُواْ مِن طَيِّبَٰتِ مَا كَسَبْتُمْ وَمِمَّآ أَخْرَجْنَا لَكُم مِّنَ ٱلْأَرْضِ ۖ وَلَا تَيَمَّمُواْ

ٱلْخَبِيثَ مِنْهُ تُنفِقُونَ وَلَسْتُم بِـَٔاخِذِيهِ إِلَّآ أَن تُغْمِضُواْ فِيهِ ۚ وَٱعْلَمُوٓاْ أَنَّ ٱللَّهَ غَنِىٌّ حَمِيدٌ ٢٦٧

which means,
"O believers! Donate from the best of what you have earned and of what We have produced for you from the earth. Do not pick out worthless things for donation, which you yourselves would only accept with closed eyes. And know that Allah is Self-Sufficient, Praiseworthy." (al-Baqarah, 2:267)

This verse portrays that business entity must stimulate some part of their wealth to protect the well-being of mankind in present life and hereafter which could be refer as wealth purification. Wealth purification in Islam can be come in various way including paying *zakah*, *waqf* and *sadaqah* to those who needed and underprivileged which can close the poverty gaps. *Zakah* is a good tool for enhancing economic growth.

In summary, ethical production in halal economy involve all principles of *maqasid al-shariah*. By following these principles, businesses can create products and services that are both halal and beneficial to the community. They can also contribute to a more just and sustainable world. Ethical production plays a crucial role in fulfilling the halal economy's goal of assuring adherence to Islamic regulations and fostering social responsibility.

Ethical Production Practices in Halal Economy

According to a survey by Frost and Sullivan (2022), the global halal economy industry is expected to develop rapidly, from $2.30 trillion in 2020 to $4.96 trillion in 2030. With the high-level expectation of halal trade in the future, producers must follow ethical production practices to tap into the growth opportunities of halal economy industry. Among the ethical production practices in the modern halal economy are: -

Ensuring fair trade

This includes fair prices, fair labour conditions, fair wages, and workers' rights. Islam places a strong emphasis on the value of justice and fairness in all spheres of life, including in production practices. Producer who conducts their operations honestly and in accordance with Allah's is deserving of rewards from Allah in the hereafter, which then might be considered an act of worship and submission (Ibadah) to Him. Allah stated in Al-Isra':

وَأَوْفُواْ ٱلْكَيْلَ إِذَا كِلْتُمْ وَزِنُواْ بِٱلْقِسْطَاسِ ٱلْمُسْتَقِيمِ ۚ ذَٰلِكَ خَيْرٌ وَأَحْسَنُ تَأْوِيلًا

which means,

"Give in full when you measure, and weigh with an even balance. That is fairest and best in the end." (Al-Isra',17:35)

The verse is about the importance of being fair and honest in business dealings. This means that we should not cheat or deceive others in business transactions. We should be honest and fair, and we should give people what they are due. The implementation of ethical production practices in modern halal economy therefore not only enhances the production supply but also earn rewards from Almighty.

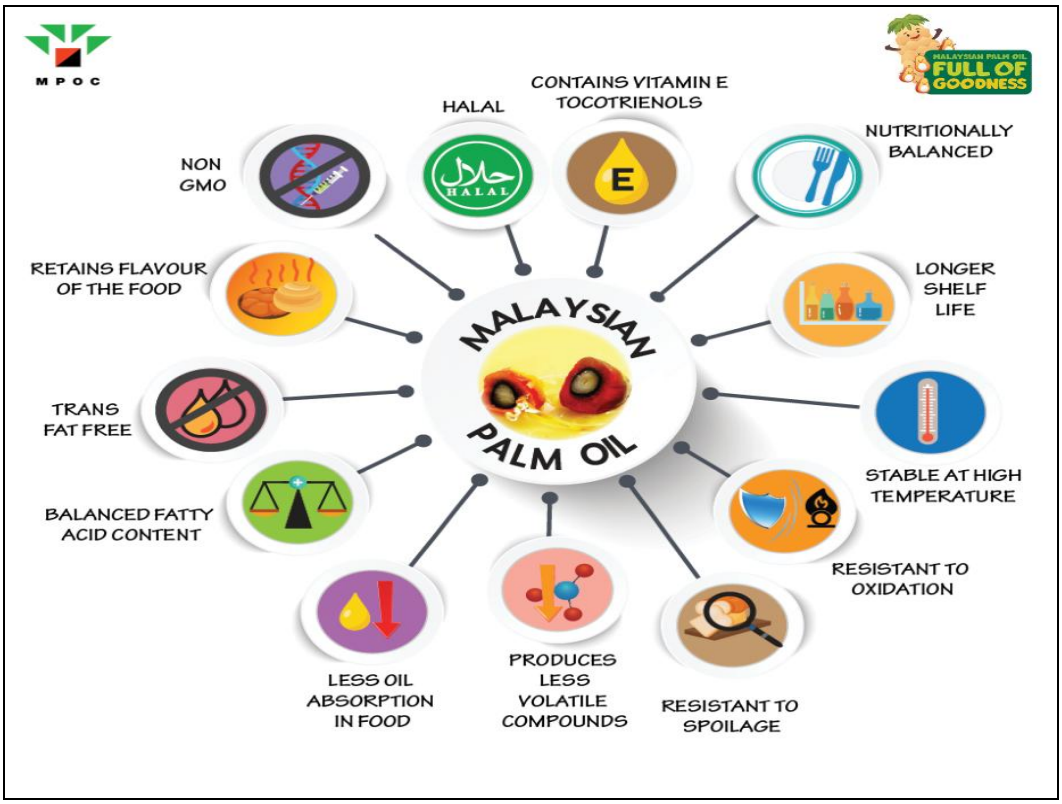
Sustainable and environmentally friendly production approaches

Recently, consumers were putting more ethical consideration like sustainability and environmental friendliness in consumption and production (Vermeir & Verbeke, 2008). The halal economy had a significant chance to fulfil the SDGs. The sustainable and environmentally friendly production approaches help to reduce waste and increase energy conservation, which supports long-term profitability for companies and helps to preserve the environment as well.

For instance, Malaysian palm oils were recognized as halal and were produce in sustainable ways to preserve the nature. Malaysia is the world's second-largest producer of palm oil, and the Malaysian government has made sustainability a priority for the industry. In 2015, Malaysia introduced the Malaysian Sustainable Palm Oil (MSPO) standard, which is a mandatory certification scheme for all palm oil produced in Malaysia. The MSPO standard covers a wide range of sustainability issues, including deforestation, biodiversity loss, labour rights, and environmental protection. S.Shahida, Hafizuddin-Syah and Siti Hanisah (2019)

suggested that palm oil companies should subscribe MSPO and leverage on the certification as an important element of their sustainability measures.

Figure 5 highlight the advantage of Malaysian palm oil that obtain MSPO certificate. This showed that Malaysian palm oil industry is making progress towards sustainability. By continuing to implement the MSPO standard and addressing the remaining challenges, Malaysia can become a global leader in sustainable palm oil production. Shahida, Hafizuddin-Syah and Siti Hanisah (2019) suggested that palm oil companies should subscribe MSPO and leverage on the certification as an important element of their sustainability measures. Therefore, halal economy addresses sustainability and environmental concerns to ensure that the product is safe and hygienic for consumption (Rezai et al., 2015) and finally contributes to economic growth.



Sources: Malaysian Palm Oil Council (n.d.)

Figure 5: The Advantages of Malaysian Palm Oil

Addressing issues of waste and resource management

Addressing issues of waste and resource management is another ethical production practice in the modern halal economy. In all facets of life, Islam promotes moderation and forbids waste. Allah stated:

يَٰبَنِيٓ ءَادَمَ خُذُواْ زِينَتَكُمۡ عِندَ كُلِّ مَسۡجِدٖ وَكُلُواْ وَٱشۡرَبُواْ وَلَا تُسۡرِفُوٓاْۚ إِنَّهُۥ لَا يُحِبُّ ٱلۡمُسۡرِفِينَ

> "*O Children of Adam! Dress properly whenever you are at worship. Eat and drink, but do not waste. Surely, He does not like the wasteful. These customs not only conform to Islamic principles but also help businesses run more effectively and profitably."* (Al-A'raf, 7:31)

The verse concludes by saying that Allah does not like those who commit excess. This means that Allah does not like people who are greedy or who indulge in excessive behaviour. The verse teaches us to balance and moderate in our behaviour, and we should avoid excess. This rule also applies to industrial processes, where companies should work to reduce waste creation and maximize resource use. Utilizing efficient production methods, recycling, and reusing resources can considerably lessen an influence on the environment and support sustainability.

Ethical production is essential for the halal economy to be sustainable and socially responsible. Firstly, environmental protection and resource sustainability can both be achieved through ethical production practices. This is significant for the halal economy because the market is expanding and requires a lot of resources. Secondly, ethical production had a significant toward halal economy since it is a market built on Islamic principles that place a strong emphasis on social justice. Therefore, ethical production could enhance consumer confidence and trust on halal products and services.

In conclusion, producers must take ethical production seriously to enhance the growth of halal industry. By embracing the ethical production practices in the halal modern economy, business owners (producer) can make a positive impact toward the supply chain management while remaining competitive in the socially consciousness market.

DISCUSSION

The halal economy is a global industry that is worth trillions of dollars due to growing demand for ethical consumption and production practices. It includes a wide range of products and services, from food and beverages to cosmetics and pharmaceuticals. It is expected to continue to grow in the coming years. However, there are also several challenges that need to be addressed to ensure that the halal economy is truly ethical.

The absence of a standardized global halal standard is one of the industry's major challenges (Azam & Abdullah, 2021) either from the demand side or supply side. Nowadays, there are a lot of Halal Certification Bodies (HCBs) worldwide that issue halal certificates to verify whether the products and services were meeting the halal requirements. The diversification and variation of halal standards issued by the HCBs had created difficulties for the industry players to enter the market and expand their operation. The most reliable halal certificated are accredited by a global halal accreditation body (HAB), such as the Gulf Cooperation Council (GCC), Majelis Ulama Indonesia (MUI) or the Malaysian Department of Islamic Development (JAKIM) or the Standards and Metrology Institute for the Islamic Countries (SMIICs). However, the HCBs in non-Muslim countries create doubt on the practice and reliability of the halal certificate. For example, in United Kingdom the slaughtered were issued by the Food Standard Agency (FSA) which are govern by Muslim authorities but were not a part of the HCBs (Abdallah, 2021). This creates confusion among producers as well as consumers on the halal quality (Ratanamaneichat & Rakarn, 2013; Abdallah, 2021) of the products and services.

Moreover, the lack of standardization of halal certificates could lead to unethical behaviour of some HCBs. HCBs could create a monopoly issue in a few ways. The HCBs could take advantage of their role as the accreditation body to charge higher price of the halal certification and could affect the fairness of halal market. This would make it difficult for small businesses enterprises (SMEs) to obtain halal certification, giving larger businesses with deeper pockets an unfair advantage. The result of these actions could be a situation where only a few halal accreditation bodies have a significant market share. This would give them a lot of power over businesses that want to sell halal products. In turn, this could create difficulty for consumers to make ethical choice of halal products and services due to affordability and accessibility issues. *Halal* products that are produced in an ethical and sustainable manner can often be more expensive than non-halal products, and they may not be as widely available.

Instead of the standardized halal certification challenges, the ethical consumption and production in halal economics also exposed to halal supply chain management issues which also include the sustainability of the industry. As halal supply chain is a complex and challenging environment, many issues can arise including ensuring the products and services comply with the halal standards. Among it is, halal and non-halal items have been transported in tandem on the same refrigerated trucks (Zailani et al., 2010). In addition to that, there are

issues of halal contamination whereby Tieman (2011) address on the cross contamination could change the halal food into non-halal food and the contaminated halal food is potentially wasted. This is also part of halal integrity issues which then could bring a sustainability issue as the waste of halal foods could create harm to the environment. The breakdown of halal integrity could create a significant impact on the halal supply chain management. In turn could bring significant impacts toward customers perspective on the credibility of halal industry.

All industry players play an important role in overcoming the challenges of ethical consumption and production in halal economy. The governance body plays a crucial role through the mediation of media to promote the ethical consideration in consumption and productions of halal products and services. On the demand sides, government must utilize social media to broaden the awareness of the important of ethical consideration in making decision in halal consumption by providing clear, adequate, and trustworthy information to empower consumer to make ethical choices. Government could educate consumers about the value of halal products which are not just about price, but also about quality and ethics.

On the supply side, the government authority can provide training and education to producers. This could be done through workshops, seminars, or online courses. The training should cover the ethical principles of halal production, as well as the practical steps that producers can take to ensure that their products are produced in an ethical way. In addition, the industry players need to highlight the cultural, social, and religious nuances in ethical decision-making processes. These nuances can vary from country to country, and even from community to community. For instance, in some countries, it may be considered ethical to use certain methods of animal slaughter that would be considered unethical in other countries. By addressing these nuances, it is possible to make more ethical decisions that are respectful of all stakeholders in the halal production industry and ensure that products are produced in a way that is consistent with Islamic law.

Furthermore, it is incumbent of global HAB to harmonize and standardize the existing halal standard to support the ethical practices in halal economy while eradicating the differences and delivering one single halal standard to the whole world. These standards should cover a wide range of issues, such as waste reduction, environmental sustainability, and fair trade. Regulators, otherwise, need to enforce the halal standards among producers to resolve the disputes. By working together, industry, producer, consumer, and governments

can create more ethical practices in halal economy that will foster the long-term sustainability of halal industry.

Lastly, researchers or academicians also play an essential role in fostering ethical consumption and production in halal economy. Researchers could assist government or regulators to advocate for policy and regulatory frameworks that support ethical consumption and production in halal economy. This policy and regulation could highlight the ethical standards that are clearer, comprehensive, and enforceable. At the same time, addressing more ethical consideration in halal research, readers could enhance their knowledge on the benefits of these issues.

CONCLUSION

This study discussed the ethical considerations in halal consumption and production in halal economy. The discussion has outlined the overview of ethical consumption in halal economy followed by ethical production in halal economy. This study also discusses on the ethical consumption and production challenges in halal economics which include challenges from the demand and supply side which can be overcome through the consumer and producer behaviour, regulation, and academician.

Considering the *maqasid al-shariah*, ethical consumption and production could reinforce the religious values and achieve the common good. The ethical consideration is closely related to integrity concepts whereby all the industry players like manufacturers, producers, sellers, stakeholders, customers, and government are playing important role to enhance the ethical consumption and production in halal economy. By adhering to *Halal* standards, businesses can prove their commitment to ethical and sustainable practices, which can improve their reputation and financial performance. The industry can demonstrate its commitment to making a positive impact on the world according to SDGs by prioritizing ethical practices in halal economy. This is a crucial step in creating a fair and lasting future for all. In conclusion, ethical consumption and production in halal economy plays an important role in strengthening the sustainability of the halal industry, while accelerating the halal economy growth. Consequently, the ethical considerations in this halal economy will contribute to a more prosperous world while eliminating harmful elements in consumption and production.

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