ABSTRACT
Consumption of halal products in Indonesia continues to increase. In 2019, it is predicted, the e-commerce market in Indonesia will increase to 31% or equivalent to US $ 3.8 billion. Spike Choo, country director of Frost & Sullivan Indonesia stated that, "Poor infrastructure conditions and low access to financial institutions will be challenges for the e-commerce industry in Indonesia." E-commerce halal products emerged as an alternative medium for buying and selling halal products. Responding to the phenomenon that occurs, optimizing the use of e-commerce is needed to face challenges and increase interest in halal products. A study of literature with a review of Islamic law regarding the use of e-commerce is done to find the right strategy as a step to optimize halal products. We find that in order to achieve the optimization of e-commerce halal products, the conditions that must be met are the fulfillment of halal guaranteed product quality, the implications of resource empowerment, management of Islamic business, Islamic business ethics, Muslim consumer behavior and business capital.

Keywords: E-commerce, Halal Products, Optimization, Utilization.

JEL Classification: A11

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Optimization of Utilization of E-Commerce on Halal Products in Indonesia
Highlights of this paper

- Consumption of halal products in Indonesia continues to increase.
- A study of literature with a review of Islamic law regarding the use of e-commerce is done to find the right strategy as a step to optimize halal products.

1. INTRODUCTION

Amid the challenges of the era of the ASEAN economic community which is facing a free market especially in terms of technological advances and various new innovations. Sharia products are able to compete in fairly good conditions. The 2015-2016 Global Economy Report report noted that halal products in the world are worth more than US $ 1 Trillion. Industry players benefit from profit growth in the halal industry, for example in food and beverage products (Azmi et al., 2019) cosmetics (Annabi and Ibidapo-Obe, 2017) halal tourism (Vargas-Sánchez and Moral-Moral, 2018) and financial institutions (Maulan et al., 2016). Meanwhile in 2020, the ASEAN e-commerce market is projected to reach US $ 25 billion from last year's US $ 11.2 billion. This is inseparable from the increasing digital lifestyle.

The Government of the Republic of Indonesia is increasingly active in supporting and appreciating and making regulations to strengthen the domestic industry of halal products in the country. CrisDuy Tran, consultant at Frost & Sullivan Asia Pacific, said, "Indonesia is predicted to be in the second position which will become the largest e-commerce market in ASEAN." As one of the sectors that are relied on, the government issued Presidential Regulation No. 74/2017 concerning the '2017-2019 Electronic Based Trading System Roadmap', called the e-commerce roadmap.

"The increase in Indonesia's e-commerce industry in the next five years will be driven by buyers in Kotas Tier II-I. The condition of e-commerce in Indonesia in 2022 is expected to rise by 8x to reach the GMV (gross merchandise value) value to US $ 55-65 billion. At present, online transactions are dominated by Jabodetabek consumers which reach 55%. But in 2022 later, 2 and 3 transactions come from consumers outside the Jabodetabek. However, the projection will be realized if the supporting ecosystem runs well (Das et al., 2016)."

Alfi further revealed that the perceived economic benefits were on the seller's side, "The e-commerce industry creates 26 million jobs in 2022, up 4x fold compared to 2017. Given the total number of workers in 2022 is estimated to reach 130 million, meaning e-commerce will contribute 20% of total workers Figure 1. As for buyers, e-commerce opens opportunities to get lower prices than traditional commerce systems. This is very pronounced in buyers outside of Java, who managed to get savings of 15-25% (Das et al., 2016)."
In the diagram, it is explained, "0.1 million workers on the e-tailing platform, 0.25 million in the logistics sector, 9 million in e-commerce supply chain workers and 17 million SME owners and employees who sell their products online (Das et al., 2016)."

The theme of e-commerce itself was raised amid the digitalization of the economy which is growing rapidly into a promising business. In addition, the high population and economic growth, widespread smartphone penetration, and the increasing number of products sold by e-commerce producers. Responding to the development of digital technology, e-commerce emerged as an alternative medium for buying and selling halal products.

When halal evolves towards halal supply chains and value chains, a new business model is needed to improve the optimization of e-commerce halal products, not only good online marketing but also optimization of sharia principles that apply to operational and governance standards and culture organization (Tieman, 2015).

### Table-1. Provisions of e-commerce in Law Number 7 of 2014 concerning Trade

<table>
<thead>
<tr>
<th>No.</th>
<th>Scope</th>
<th>Provisions</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>e-commerce settings</td>
<td>1) provide certainty and understanding about what is meant by &quot;Trading through Electronic Systems (PMSE)&quot;; 2) aims to promote PMSE activities; 3) provide protection for business people and consumers.</td>
</tr>
<tr>
<td>2</td>
<td>Data dan Information</td>
<td>1) must provide complete and correct data and information in accordance with the Electronic Information and Transaction Law; and 2) data must contain at least identity and legality, technical requirements, service qualifications, product prices and methods of product delivery.</td>
</tr>
<tr>
<td>3</td>
<td>Dispute</td>
<td>in the event of a transaction dispute, business people or legal entities can resolve disputes through the court or through other dispute resolution mechanisms.</td>
</tr>
<tr>
<td>4</td>
<td>Technical provisions</td>
<td>1) the businessman must register and fulfill the technical requirements of the competent agency; 2) every business actor must own and declare business ethics or the code of practice; 3) prohibited from requiring consumers to pay for products sent without agreement beforehand; and 4) information or electronic documents can be used as evidence.</td>
</tr>
<tr>
<td>5</td>
<td>Jurisdiction</td>
<td>1) the choice of law and the forum for dispute resolution is determined by the parties and / or follows the rules in international trade law; and 2) For transactions between foreign business people and the Indonesian government, Indonesian protection law applies.</td>
</tr>
<tr>
<td>6</td>
<td>Electronic contract</td>
<td>1) an electronic trading contract is valid when there is an agreement between the parties; 2) the contract contains at least the identity of the parties, the specifications of the goods and or services agreed upon, the legality of goods and or services, trade transaction value, terms and duration of payments and services, and procedures for returning goods and / or nonconformities; and 3) the contract must be stored for a certain period of time.</td>
</tr>
<tr>
<td>7</td>
<td>Electronic signature</td>
<td>Electronic Trading Contracts can use electronic signatures and must be made in Indonesian.</td>
</tr>
<tr>
<td>8</td>
<td>Electronic advertising</td>
<td>1) electronic advertising to convey information about the existence of goods and or services; 2) include information that is valid and not excessive; 3) may not violate the right to privacy and protection of personal data consumers; and 4) Business actors are responsible for the correctness, accuracy of information, and conformity between information and physical goods or services.</td>
</tr>
<tr>
<td>9</td>
<td>Tax</td>
<td>1) electronic trade transactions are subject to tax in accordance with applicable laws and regulations; and 2) Business actors are obliged and subject to the Indonesian taxation provisions because the agency fulfills its physical presence and conducts business activities permanently in Indonesia.</td>
</tr>
<tr>
<td>10</td>
<td>Stamp duty</td>
<td>1) imposition of stamp duty on electronic transaction proof documents is applied to proof of transactions carried out in writing on paper; 2) the audited site has the right to obtain trustmark; and 3) irresponsible sites can be blacklisted.</td>
</tr>
</tbody>
</table>

*Source: Data processed (Ministry of Commerce of the Republic of Indonesia (Kemendag), 2014).*
2. THEORETICAL REVIEW

Halal is a criterion for the quality of the main products in Islam. "Understanding halal (qasher) can be reviewed in terms of legal views and thayyib that is inherent in the material (product). "Therefore halal must include two aspects, namely," halal outwardly and inwardly. "Meanwhile," Halal in terms of 'products and processes', halal is a product (a results) that do not give mudharad to oneself and / or other people when eaten / used, obtained and / or made through an activity / process in accordance with Islamic law, namely the Qur'an and Hadith (Indonesian Religious Leader (MUI), 2008)."

Rules related to e-commerce have been regulated in Law Number 7 of 2014 concerning Trade. "E-commerce regulation is mandated by Law Number 7 Year 2014 concerning Trade." The provisions relating to e-commerce in Law Number 7 Year 2014 can be seen in the Table 1.

The government's own responsibility in developing e-Commerce or PMSE is, "Conducting guidance through the registration mechanism, encouraging the improvement of e-UKM and conducting supervision." Meanwhile, "Minister of Finance Regulation 210 / PMK.010 / 2010 concerning Tax Treatment of Trade Transactions through the System Electronics and effective on April 1, 2019 which contains provisions on taxation procedures and procedures, which are intended to provide administrative convenience and encourage tax compliance of e-commerce actors to create equal treatment with conventional business actors. the provider of platform marketplace and those who sell at the market place."

Quoting from The Wall Street Journal, there are two reasons why Indonesians up to now still have never studied online business. "First, because of the low penetration of credit and debit cards. As for the second cause, is distrust. Not a few Indonesian people still have concerns about shopping online because they are afraid of fraud cases" (Ebis, 2017).

According to Santoso (2016) explaining between al-Salam transactions and e-commerce there is an analogue / pengqiasan, namely: "a) in the statement both require an agreement, b) in the payment of the two systems of payment take precedence, c) at the time the transaction is done both of which involve both witnesses / third parties, namely on e-commerce transactions, are payment gateways, and in al-Salam are representatives and witnesses although not a necessity but are highly recommended"[Santoso, 2016]. The Table 2 forms as follows:

<table>
<thead>
<tr>
<th>No.</th>
<th>Transaction</th>
<th>Al-salam</th>
<th>E-commerce</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>seller / Ba’i</td>
<td>MuslimIlaih</td>
<td>Merchant/Seller</td>
</tr>
<tr>
<td>2</td>
<td>buyer / Mustari</td>
<td>Rabb al-salam Muslim</td>
<td>Cardholder/Consumer/Buyer</td>
</tr>
<tr>
<td>3</td>
<td>Object / Produk / Ma’quad</td>
<td>Muslimfihi</td>
<td>Commodity</td>
</tr>
<tr>
<td>4</td>
<td>statement / Sighat</td>
<td>IjabQabul</td>
<td>Agreement</td>
</tr>
<tr>
<td>5</td>
<td>Exchange rate</td>
<td>Ra’su al-Mal</td>
<td>Price/money</td>
</tr>
<tr>
<td>6</td>
<td>representative</td>
<td>representative</td>
<td>Payment Gateway</td>
</tr>
</tbody>
</table>

Source: Santoso (2016).

Thus the analysis of Islamic law views that business transactions are virtual or through virtual media, in this case e-commerce is permissible as long as it fulfills the requirements and does not violate Islamic shari'a.

Empowerment management based on sharia principles is, "A managerial activity identifies, analyzes, determines needs and potential as well as problems faced and at the same time chooses alternative solutions by optimizing the resources and potential possessed to achieve the objectives with due regard to conformity to shari'ah principles."
In the context of Islam management has elements that are not much different from the general concept of management. This has been stated in the Qur'an and Al-Hadith as the philosophy of life for Muslims. Sulaiaman et al. (2013) add that, "Sharia management discusses the problem of the system so that the behavior of the perpetrators in it runs well. The system of government of Umar bin Abdul Aziz, for example, is one of the best. This system is related to planning, organization and control, Islam has also been taught long before the concept was born, which was studied as Western management."

Handayani and Disfa (2017) revealed that, "The role of business capital in the e-commerce industry is very important. Therefore, as one source of capital is through Islamic bank financing and Sharia Business Units. If the regulation of sharia is able to supply business capital to its full potential, of course this will contribute positively to e-commerce of sharia products.

International Trade Transactions become one of the important factors to improve e-commerce throughout the world. An integrated cross-border e-commerce model is needed to sustain a country's domestic industry. "The main weakness of some e-commerce industries in developing countries is the availability of business capital to be able to compete in the international market (Kawa and Zdrenka, 2016).

According to Sitepu, "Increasing the type of volume of industrial products makes it easier for people to be consumptive and materialistic."

This consumptive behavior is also a habit of some Muslim communities of various classes and social status. The implication of this consumptive attitude can make the income of the community mostly only to fulfill the desires of the primary needs, so that there is no savings and investment both for the world and the hereafter such as the obligation of zakat, infaq and alms. Indeed, Islam offers a balanced consumption pattern that is not tabdjir and is not Islamic (Sitepu, 2016).

Ethical license in business discourse is an undeniable necessity. Islam since more than 14 centuries ago has called for an ethical urgency for Islamic business activities. Mardatillah concluded the results of research on the sources of Islamic values and ethics which are a source of values and ethics in all aspects of human life as a whole, including business discourse (Mardatilah, 2013).

Nawatmi added that, "Islam has comprehensive insight into business ethics. Starting from the basic principles, points of damage in trade, factors of production, employment, organizational capital, wealth distribution, issues of wages, goods and services, qualifications in business, to socio-economic ethics concerning property rights and social relations. Business activity is an integral part of economic discourse (Nawatmi, 2010)."

3. METHOD

We use literature studies with a review of Islamic law to find strategies in order to achieve optimization of e-commerce utilization of halal products. A model for the development of e-commerce optimization of halal products in our Islamic law review is described.
4. DATA ANALYSIS AND DISCUSSION

The electronic commerce industry (e-commerce) that has developed in Indonesia today consists of two types, namely e-commerce, halal products and conventional / general e-commerce Figure 2. The research focuses on how to optimize the use of e-commerce on halal products in Islamic law reviews. Therefore the legal basis used is in the primary data source, which refers to the Qur'an, Sunnah and Ijtihad so that a model of development is obtained. Commerce of halal products. The model for the development of e-commerce optimization of halal products in Islamic law review must fulfill the following conditions:

4.1. Quality of Halal Product

Halal products must meet the quality standards and provisions for determining halal products. The standard deals with government regulations, legislation and the Fatwa of the Indonesian Ulema Council on Halal Products and the use of digital electronic transactions as well as international trade regulations. Perception of the quality of halal products can create a psychological impact on the quality of halal products themselves (Anam et al., 2018).
4.2. Implications of Resource Empowerment

Empowerment of resources is an absolute requirement in an effort to optimize the use of e-commerce halal products. Human resources as a physical and spiritual unity that is inseparable. Therefore to improve the quality of human resources must have clear direction and goals. Triptoherijanto (1989) states that, "The direction and development of human resources in general is emphasized that in order to improve living standards and utilize a large population as a force for nation-building, it is imperative in efforts to foster, develop and utilize HR potential by increasing development in various sectors. These efforts include: improving nutritional quality, improving health services, expanding facilities and improving the quality of education and training."

In the Qur'anic verses, "There are a number of statements that position humans as select beings, quality beings, creative and productive beings, with several terms including: as a caliph on earth, a superior being, heir to the wealth of the earth, conqueror of the source natural resources, trustees and others. The ability of humans to combine potential to improve their quality of life, become highly virtuous beings. These potentials are natural resources and human resources and technology."

According to Hidayat (1997) to develop the quality of human resources in education in particular, requires several elements that can support the achievement of goals, among others: "1) instilling a love of science and technology in fostering the development of science and technology culture, 2) creating an atmosphere and process teaching and learning that is able to improve and develop creativity and innovation as well as interest and enthusiasm for learning, 3) develop professional sales and insight into the advantages of professionalism and insight that are key to the development of quality resources, 4) develop a frugal, intelligent, orderly, thorough, diligent and disciplined, these values are the basis that must be embedded in every human being, 5) develop moral and noble character as an embodiment of faith and devotion to God Almighty, through the learning process, not just touching cognitive aspects, affective and psiomotorik. So that overall morality and manners are part of the character of the human personality."

Resources needed in building the Indonesian nation especially in this global era as Kasiram (2008) revealed, there are at least five competencies that must be possessed, namely: "1) academic competence, which is related to mastery and ability of scientific methods in the context of mastering and developing science and technology, 2) professional competence, namely relating to insight, behavior and the ability to advance science and technology in the reality of people's lives, 3) competence in the face of change, namely the ability to anticipate, manage, and utilize change to achieve excellence in the future, 4) technical competence, namely the ability to provide real attention and care to fellow human beings or social care, and 5) competence of values and attitudes, namely the ability to always place all problems within the framework of the values of the Pancasila, national culture, faith, piety to the Almighty God."
4.4. Islamic Business Ethics

The Islamic business ethics is important in the course of a professional business activity. "The scope of business ethics must be broader not only in product quality but also in logistics. Halal control and guarantee activities include separation in the delivery of halal and non-halal products carried out so as to increase halal supply (Zailani et al., 2017) and halal warehousing (Ngah et al., 2017)."

As stated by Syahata, "Islamic business ethics has a substantial function that equips business people, a number of things as follows: 1) to build Islamic ethical codes that regulate, develop and establish business methods and become a symbol of direction to protect business people from risk, 2) to establish the responsibility of business people, especially for themselves, between the business community, the community, and above all is responsibility before Allah SWT, 3) as a legal document that can resolve the problems that arise, rather than having to be left to the judiciary, 4) contributing to the settlement of many problems that occur between fellow business people and the communities where they work, and 5) building brotherhood (ukhuwah) and cooperation between them all.

MunawirIqbal, in his article "Organization of Production and Theory of Firm Behavior from Islamic Perpektive: (1987)," makes a simple mathematical model of the functions and objectives of a company based on Islam, namely: Y = Y (F, G); where Y = Income, F = Profit Level, G = Spending for sadaqah and social charity."

In this equation the income to be achieved by a company or industry that produces halal products is not identical to saj's profit but also to be distributed as sadaqah and corporate social responsibility.

4.5. Behavior Consumption

There are three basic values which form the foundation for Muslim society's consumption behavior, namely: 1) belief in the existence of doomsday and afterlife, this principle directs a consumer to prioritize consumption for the hereafter rather than the world. Prioritizing consumption for worship rather than worldly consumption. Consumption for worship is a future consumption (because there are replies to heaven in the hereafter), while worldly consumption is the present consumption, 2) the concept of success in the life of a Muslim is measured by the morality of Islam, and not by the amount of wealth possessed. The higher the morality the higher the success achieved. Virtue, truth and devotion to God are the keys to Islamic morality. Virtue and truth can be achieved with good and beneficial behavior for life and keep away from evil, 3) the position of property is a gift of God and not something that is by itself bad (so that it must be shunned excessively) (Mamat and Mahamood, 2017)."

4.6. Venture Capital (ma malaktahumunkullisyay)

The importance of business capital in human life is shown in the Qur'an Surah Ali imron verse 14. Capital is a valuable asset that is used to help its successive assets. According to Djakfar (2007) it is stated that, "A profitable business is if it is done with the best capital investment, not the other way around, it is done with a bad investment so that it brings loss or harm."

In essence the production and especially collection of business capital is strongly influenced by security and work safety. If there is a guarantee of occupational safety and security, the community will be more active in working, innovative and credible in developing their business and collecting wealth. In fact, Indonesia has not specifically regulated data privacy protection or used independent regulation in e-commerce transactions (Barkatullah and Djumadi, 2018).
4.7. The Concept of Maslalah (welfare) in Islamic Consumer Behavior

If the four conditions have been met, it will encourage business people to contribute to the welfare of society. Islamic Shari'a wants people to achieve and maintain their welfare, this concept is known as Maqasid Al-Shari'ah. Unfortunately, Rahman et al. Revealed that, "The development of performance measurement has not been carried out comprehensively in non-financial industries. Because there are no applicable measurement standards (Rahman et al., 2017)."

Imam Shatibi uses the term 'maslahah', whose meaning is broader than satisfaction in conventional economic terminology. According to Imam Shatibi, maslahah is "the nature or ability of goods and services that support the basic elements and objectives of human life on this earth (Quoquab and Mohammad, 2016). There are five basic elements according to him, namely: 'life or soul (al-nafs), property or property (al mal), belief (al-din), intellectual (al-aql), and family or offspring (al-nasl ) All goods and services that support the achievement and maintenance of the five elements mentioned above for each individual are called maslahah."

5. CONCLUSION

Optimizing the use of e-commerce can encourage people's welfare. This is because in the review of Islamic law, implementation of syariah principles in e-commerce business behavior. The results of the study found that there were four main requirements that could be the optimization criteria for halal products using e-commerce, namely product quality improvement, resource management, Islamic business ethics and the availability of business capital resources.

REFERENCES


