Globalization of Halal Certification
From an Industrial Perspective

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THE EARLY DAYS OF GLOBAL HALAL CERTIFICATION

Halal certification was not very common outside of Southeast Asia until the turn of the millennium. Manufacturers of food ingredients could often handle requests about the halal compliance of a product by issuing statements regarding the absence of ethanol and no ingredients of animal origin in the product. Furthermore, products from these companies were often kosher certified and it was a common misunderstanding that kosher certification would also ensure compliance with halal requirements. Another common misunderstanding was that halal acceptability was only a question about which animal species were used and that the slaughtering methods were appropriate (Omar and Jafaar, 2011). Thus, the need to determine if a product was halal was only relevant for actual meat products and not for other products and ingredients without apparent (or actual) contents of animal origin. For these reasons, halal certification outside Southeast Asia was then mainly used by companies that exported poultry and meat products to Muslim countries.

However, the need for halal certification of other types of food products and food ingredients grew dramatically around 2001. This was to a large extent triggered by an incident where it was discovered that a multinational company’s plant in Indonesia had introduced a porcine-derived ingredient in the production of sodium glutamate, a
widely used condiment, especially in oriental cooking. This did lead to an increased awareness of food products’ halal status among many Muslim consumers—and did cause major problems for this company’s reputation and sales in Muslim countries (Mohammed et al., 2008; Rezai et al., 2012). Consequently, many manufacturers of food products and food ingredients became concerned. They began to investigate obtaining a credible halal certification. As part of this certification process, many of their suppliers were asked to provide halal certification for their ingredients (Abdul Latiff et al., 2013; Mohamed et al., 2013).

Most large food manufacturing companies had for many years been used to working with different certification schemes such as ISO 9000, ISO 14000, and kosher. Even though these standards are open to some interpretation, they were generally perceived as being relatively well defined. Even though the standards might change over time, such changes would generally only be introduced with prior notice that would enable certified companies to adjust in a reasonable amount of time. For each of these certifications, it was often possible for multinational companies to select one certification body that could audit all subsidiaries and issue certificates that were generally acceptable throughout the world (Latif et al., 2014).

Based on the experience with these other types of certification, it was thought that halal certification could be handled similarly. Companies that only had plants within a limited geographical area would generally choose a local halal certification body, whereas multinational companies might choose a certification body that could offer global auditing and certification (Fischer, 2015).

HALAL IS NOT JUST HALAL

In the past, halal certifications could not always source ingredients that had halal certification. Therefore, they often had to accept such ingredients based on other documentation of halal acceptability in the form of statements, ingredient lists, flow charts, and so on. This was inefficient for the ingredient supplier and it was clearly easier to have a reliable halal certification. So the number of halal certified products and halal certification bodies grew significantly with the hope that this would make the halal certification process easier for all parties (Anir et al., 2008; Bonne and Verbeke, 2008; Ziegler, 2007).

Unfortunately, this was not to be the case. Manufacturers of halal certified products often experienced the following problems, some of which companies had experienced with kosher also (Halim and Salleh, 2012; Shafie and Othman, 2006; Van Waarden and Van Dalen, 2011).

- Ingredients could not be approved because the halal certificate was not accepted by the company’s own halal certification body. The certifier might then still require statements, ingredient lists, and so on. This required significant resources from both the supplier and the customer—and often suppliers were not willing to provide this detailed information.
- In some cases, even the documentation would not be sufficient and the certification body would require an actual audit of the supplier. This also required that the supplier was willing to be audited by yet another halal certification body.
Ultimately, a company might be required to find an alternative supplier with acceptable certification—provided this existed. However, changing suppliers is not always possible due to contractual obligations—and may have a negative impact on, for example, quality, sustainability, pricing, or security of supply.

Products could not be exported to certain countries (mainly Indonesia, Malaysia, and Singapore) because the halal certificate was not accepted by the national halal councils (MUI, JAKIM, and MUIS, respectively). Even if the products were certified by an organization that was recognized by MUI, JAKIM, or MUIS, this recognition could be discontinued overnight. When this happens, there is apparently no formal notification system in place, so a company will most likely discover this when their products fail to clear customs.

MULTIPLE CERTIFICATIONS

Many companies tried to reduce the problem by obtaining additional halal certifications (Fauzi and Mas‘ud, 2009). Unfortunately, it is usually not easy to determine which certificates are accepted by other halal certification bodies and national councils, although MUI and JAKIM do have a “positive list” of recognized certifiers. Even when one certifier is accepted by another organization, this may change overnight—usually without any notification.

Furthermore, it is not a simple task to obtain an additional certification. When a company needs certification from several certifiers, there will most likely be situations where an ingredient is not accepted by all their certifiers. This makes it harder to educate staff as these distinctions confuse non-Muslim employees and become much more difficult to learn (Lam and Alhashmi, 2008; Van der Spiegel et al., 2012).

REASONS FOR LACK OF MUTUAL RECOGNITION

There are several reasons for this lack of mutual recognition among halal organizations:

- **Different definitions**: Organizations may have different definitions about the details of what is halal and what is not halal (Zailani, 2010).
- **Different system requirements**: Organizations may have different requirements for managing the system for certification, for example, each agencies Halal Assurance System (HAS) (Noordin et al., 2009).
- **Requirements for proximity**: Some organizations will only accept certificates from organizations from the same country or the same region as the manufacturer, and will, for example, not accept an American certification of products from a European plant (Shafie and Othman, 2006).
- **Desire for local control**: Some organizations want to set the agenda for halal certification in their own region and are therefore unwilling to let other organizations get too influential (Noordin et al., 2009).
- **Competition**: Halal certification is also a business with competition about market shares. Even though—or exactly because—this is a growing market,
some organizations may therefore reject others’ certificates in the hope that this can keep others out of the market and generate additional business for themselves (Shafie and Othman, 2006).

- **Mistrust**: Some organizations are unwilling to accept others’ certificates because they are concerned about, for example, technical competencies, or the thoroughness or integrity of other organizations (Noordin et al., 2009; Shafie and Othman, 2006).

- **Personal disputes**: Some of the disagreements and conflicts above can in some cases lead to personal disputes to an extent where it is not even possible for two organizations to meet and discuss how to remedy the situation (Shafie and Othman, 2006). [Note that this is NOT unique to halal, it exists in kosher, organic, and other general certification schemes.]

In the specific situation where one organization will not accept another’s certification, it is usually due to a combination of several of the problems listed previously. However, it is often not possible for the halal certified food manufacturing companies to evaluate what the real reasons are—and close to impossible for the companies to do anything about it (Prabowo et al., 2015).

**FORUMS FOR DISCUSSION**

The halal organizations themselves are very well aware of the problems of lack of mutual recognition and several attempts to improve the situation have been made. Two structured forums for discussing the problems exist: the WHFC (World Halal Food Council) and the WHC (World Halal Council). These councils both have common standards and mutual acceptance as part of their vision, but even though they have existed for many years, it is difficult for the industry to see any progress and positive outcome of the discussions. WHC and WHFC have not been able to develop an official reciprocity either within their organizations or between them. Some halal organizations have arranged halal conferences with participation from certification bodies, national councils, and industry. At these conferences, halal certification bodies and other Muslim organizations will often focus on the huge market for halal certified products and the benefits of halal certification—whereas representatives from the industry will with steadily increasing intensity highlight the desperate need for mutual acceptance. So far with little noticeable success (Prabowo et al., 2015; Wan Hassan, 2007).

**A GLOBAL STANDARD**

As the problems with lack of mutual recognition have worsened over the last decade, most manufacturers would like to see a single global standard, but this is probably impossible because Muslims do not have a single standard. Many of the “political/business” issues discussed previously may be resolved, but some degree of lack of acceptability will always remain. Although some look to an ISO standard, that is, a standard that uses the same framework as other global standards that the industry is used to complying with, some Muslims do not want halal standards to be controlled
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by a non-Muslim organization (Shafie and Othman, 2006). Whether a Muslim organization such as WHC or WHFC can agree to a single standard, with clear internal differences that would have to be highlighted remains to be seen. A major example of such a fundamental disagreement is that of whether a pre-slaughter intervention is permitted. This will not be resolved but may possibly be dealt with by establishing a label scheme to distinguish between the two options (Nakyinsige et al., 2012).

Most halal organizations may agree about 95% of the requirements, but it will probably be extremely difficult—if not impossible—to reach agreement about the last 5%. There is a risk that such standardization efforts would simply require the strictest interpretation, which could cause compliance problems. On the other hand, some companies may prefer that reliability of standards but that is no guarantee of mutual recognition for the reasons mentioned earlier. It might be noted that the kosher certification industry continues to thrive despite having both a lack of standardization and some lack of mutual recognition (Prabowo et al., 2015).

MULTIPLE STANDARDS

One possible compromise solution could be to accept that several standards do exist and then establish an accreditation setup where halal certification bodies could be accredited to audit and certify based on the appropriate standards of the targeted user. This does mean that a certifying agency might be in a position where it needs to audit to a standard it does not itself accept. They will have to then decide if such a system might compromise their certification.

Another compromise might see some organizations agree on consolidating standards so that only a limited number of standards exist (Adams, 2011; Iberahim et al., 2012).

ACCREDITATION OF CERTIFICATION BODIES

Another aspect of certification that might be usefully addressed is to use an accreditation system, presumably at the national level, to authenticate that a certifying agency is able and is actually doing what it claims, that is, to focus on procedural issues (Zailani, 2010). Such a process would also permit a certifying body to audit for standards elsewhere by establishing that it is properly following the other certifying body’s protocol. Some of the issues that could be subject to accreditation include: audit frequency; audit techniques; qualification of auditors; number of auditors relative to the number of companies being supervised; and audit reporting either to their own standard or to the outside standard (Iberahim et al., 2012).

Such an accreditation system should be impartial and only evaluate whether a given body meets the defined requirements. The accreditation body would therefore also have to be respected nationally (and internationally) and be free of any conflict-of-interests that would impact its credibility. Ideally, this would be a nongovernmental agency considered representative of all Muslims within the country. The accreditation system would gain additional credibility if it were affiliated with the appropriate secular agency within the country that is involved in accreditation across many other platforms. Such a system might provide companies with both
greater certainty and a flexibility in choosing an appropriate certifying body that they currently might not have (Adams, 2011). The halal status has increasingly been considered a certification standard for quality and is under greater scrutiny than ever before (SGS, 2017).

CONCLUSION

The present unpredictable, chaotic situation where halal certificates are often not accepted by other certifying organizations is unacceptable to industry. Although the ideal solution would be one global halal standard, this is not realistic. However, the standards that exist should be clearly defined and a system for accreditation of certification bodies to audit and certify based on these standards should be established.

REFERENCES


