Diagnosing Halal Certification System For Cosmetics: The Viable System Model Approach

Khairul Akmaliah Adham
Unıversıtı Saıns Islam Malaysıa,Malaysıa
ka@usim.edu.my

Abstract

Halal cosmetics industry is lucrative and expected to grow exponentially, particularly as the population of affluent Muslims is predicted to increase globally to about 30% by the year 2030. However, it seems that many cosmetics industry players adopted a narrow definition of "Halal" (permissible) as the abhorrence of the presence of porcine, alcohol or liquor in their products, while issues of product safeness are side lined. Hence, it is a huge challenge to regulatory authorities to protect halal cosmetics consumers from unsafe and unreliable products, or against unproven or unsubstantiated claims made by the producers about their products. Moreover, the halal certification system of cosmetics products are conducted by various ministries and agencies, which leads to difficulty in coordinating the efforts. Utilizing the viable system model (VSM) as the framework, the study diagnosed the halal certification system of cosmetics in Malaysia. This study gathered data from interviews with representatives from JAKIM and other relevant institutions and departments, who are directly involved the Malaysian halal certification system for cosmetics. The study identified certain issues related to coordination among the agencies and an absence of a comprehensive legal framework that govern the development of halal cosmetics and its usage. Such understanding is fundamental in developing a comprehensive framework that can improve the effectiveness of the overall management and coordination in the halal assurance systems for cosmetics in Malaysia. An effective halal certification system can be expected to reduce or overcome issues of unproven or unsubstantiated claims as well as halal certification sub-standards.

Keywords: halal cosmetics, Halal Malaysia, viable system model, halal certification, halal assurance, JAKIM, halal industry ecosystem

JEL Codes: M1: Business Administration