



UP CIDS POLICY BRIEF 2022-03

Reviewing Contentions of Authority and Legitimacy in Philippine Halal Development Initiatives

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Introduction

Examining the Philippine halal landscape from the systemic perspective foregrounds its legal, institutional, and infrastructural foundations. It also accentuates the indicators that are crucial to determining the capacity and vigor of the system. This appraisal particularly involves the authority and legitimacy contentions of one government agency and a nongovernment stakeholder in Philippine halal development, i.e., the Department of Tourism (DOT) and the Islamic Da'wah Council of the Philippines (IDCP), the pioneering halal certifying agency in the country. Incorporated into the discussion are inputs from former Secretary Mehol Sadain of the National Commission on Muslim Filipinos (NCMF), as well as the Philippine Ulama Congress of the Philippines Inc. (PUCOI), a new halal certifying agency composed of traditional scholars from the classical Islamic school system and one of the IDCP's halal awareness training partners/subcontractors.²

Department of Tourism (DOT)³

The DOT rests its authority on three laws: Republic Act (R.A.) No. 9593 (Tourism Act of 2009); R.A. No. 10817 (the Philippine Halal Export Development and Promotion (PHEDP) Act of 2016); and R.A. No. 9997 (NCMF Act of 2009). Though it is not the lead agency in the PHEDP Board, the DOT integrates the policy and program yields of its partner agencies to present the face of Philippine halal to local and foreign tourists. Presumably, it is pushing for capacity expansion to ascertain that the country not only has compelling pull as a tourist destination, but also has the stable infrastructure to sustain that pull. It cites the following data that support its halal prospecting intent:

- (1) In "An Inclusive Ethical Economy," the State of the Global Islamic Economy Report 2018/19 pegged the global Muslim population at 1.8 billion, which expended US\$ 177 billion in 2017 and a projected US\$ 274 billion by 2023 on halal travel alone (Zawya 2018).⁴

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² Inputs were obtained from presentations and moderated discussions during the Philippine Halal Landscape webinar held May 24, 2021 under the UP-CIDS Islamic Studies Program. Dr. Nefertari Al-Raschid–Arsad is the Project Leader.

³ Institutional data inputs were taken from the presentation of DOT Assistant Secretary for Mindanao and Palawan and concurrent Region IX Director Myra Paz Valderrosa-Abubakar during the Philippine Halal Landscape webinar on May 24, 2021.

⁴ The report was produced in collaboration with Dinar Standard and the Dubai International Financial Centre. It identified other identified components of the global halal economy and their respective expenditures in 2017 (from highest to lowest): Cosmetics–US\$ 61 billion; Pharmaceuticals – US\$ 87 billion; Media and Recreation – US\$ 209 billion; Modest Fashion – US\$ 270 billion; Halal Food – US\$ 1,303 billion; and Islamic Finance – US\$ 2,438 billion.

- (2) The 2019 Mastercard Crescent Rating Global Muslim Travel Index predicted a tremendous global increase of 230 million in Muslim visitors, over 10 percent of the total estimated tourist population for 2026. The same index indicated that for the first time, the Philippines had become a part of the Top 10 destinations among countries that are not members of the Organization of Islamic Cooperation (OIC)(Khullar 2019).⁵
- (3) Figures based on the Philippine Tourist Arrivals reports for 2017, 2018, 2019, and 2020 that tracked foreign visitors from countries/regions with halal-conscious populations (i.e., Brunei, Indonesia, Malaysia, Singapore, South Asia, Israel, Turkey, and the Middle East). Pre-pandemic statistics show that Indonesia, South Asia, Israel, and Turkey tourist arrivals grew steadily from 2017 to 2019, while those from Brunei, Malaysia, and Singapore increased only between 2017 and 2018 but decreased by 2019.⁶
- (4) A Philippine Market Situation report that cites the arrival data of 644,736 foreign visitors in 2019 and the estimated over 10 million Muslim Filipinos as recorded by the NCMF to approximate the Philippine “base market” for halal products and services.

In reference to foreign visitors, without necessarily excluding local tourists, arrivals, departures, accommodations, dining, transport/tours, and shopping destinations have been identified as “tourism touchpoints.” The DOT has clearly distinguished its hospitality brand as Muslim-friendly, rather than focusing on halal tourism per se. This kind of branding acknowledges two salient facts: (1) that the Philippines is not a Muslim country and (2) that halal tourism would be subject to more rigorous benchmarks. However, the Muslim-friendly trademark is intended to be a mere starting point, recognizing current limitations.

In line with this, the DOT issued Memorandum Circular (MC) 2020-010 or the “Guidelines Governing the Operations and Recognition of Muslim-Friendly Accommodation Establishments” on December 11, 2020.⁷ This notice serves as a reference for DOT-accredited companies that wish to apply for a certificate of recognition as Muslim-friendly. Through this measure, the department aims to regulate hospitality establishments by identifying certain operational standards that are relevant and meaningful to Muslims. It requires tourist facilities to pay particular attention to these and other major aspects of accommodation that have the enhanced features of a “Muslim-friendly brand:”

- (1) Guest Handling: This involves Muslim greetings and information on prayer times, nearby mosques, Islamic centers, halal-certified or Muslim-friendly restaurants, and halal-related government agencies.
- (2) Guest Rooms: This requires that five percent of the total room allocation should be “Muslim-friendly.” It also includes provision of prayer amenities such as *qiblah* (directional indicators to Meccah), the Muslim holy book or Qur’an, and bathrooms with “clean water supply,” bidets, and “hand showers” for ablution. The rooms should also have mini-bars for “halal-certified snacks and light refreshments,” as well as a written or printed proscription against alcoholic beverages.
- (3) Food and Beverages: This pertains to meals and snacks that are appropriately segregated and identified as halal or non-halal. Likewise, Muslim guests should have ready access to halal products and information on “Muslim-friendly restaurants.” Nourishment during the holy month of Ramadan should be available before dawn, after sunset, and upon request.

⁵ The full report is available at the Crescent Rating website (<https://www.crescentrating.com/reports/global-muslim-travel-index-2019.html>).

⁶ Tourism statistics are available at website of the Philippine Statistics Authority (<https://psa.gov.ph/publication-category/tourism>). See also the Department of Tourism website (<https://beta.tourism.gov.ph/tourism-statistics/>).

⁷ The memorandum circular can be downloaded (<https://law.upd.edu.ph/wp-content/uploads/2021/04/DOT-Memorandum-Circular-No-2020-010.pdf/wp-content/uploads/2021/04/DOT-Memorandum-Circular-No-2020-010.pdf>).

- (4) **Kitchen:** This refers to dedicated spaces for storing and preparing halal food and for segregating cooking and eating utensils. It also involves “a designated purchasing manager” who knows about halal standard operating procedures from purchasing to storing halal food and ingredients.
- (5) **Public Areas:** Separate premises and facilities for male and female prayer rooms, along with “qiblah directional stickers” and copies of the Qur’an. Such prayer areas should be near restrooms with clean water supply, bidet, and hand showers for ablutions. Likewise, entertainment areas should be Muslim family-friendly, and wellness/recreational amenities like swimming pools are segregated for men and women. Nonhalal activities must not be promoted in these public places.
- (6) **Hotel Transport Service:** This necessitates the availability of vehicles for Muslim guests who want to go to nearby mosques. The service provider should be aware of protocols when it comes to handling Muslim clients.

The DOT has trained its efforts on improving tourism touchpoints and promoting halal awareness to achieve the Muslim-friendly tourism benchmark on a wide scale. It envisions the Philippines’ thriving participation in the global halal industry.

Islamic Da’wah Council of the Philippines (IDCP)

Known as the country’s first internationally recognized agency that issues halal certification, the IDCP is essentially a federation of religious Muslim organizations with an expansive mission. It is part of a global network of Muslim consortia, including the World Halal Council (WHC) and the Islamic Development Bank (IDB) Educational Trust Foundation, for which IDCP serves as the local counterpart. It is registered with the Securities and Exchange Commission (SEC) and licensed by the Department of Social Welfare and Development (DSWD).

The IDCP’s halal-related activities, particularly verification and accreditation, commenced in 1987, with authority from the Regional Islamic Da’wah Council of Southeast Asia and the Pacific (RISEAP). It started developing certification policies in 1995. Its venture into halal certification was a response to some Philippine food production companies’ intent to export products to Muslim countries. It initially employed experts in food technology, food manufacturing, chemistry, and biology for food products. It later expanded its certification team to adeptly address more wide-ranging issues, such as livestock slaughtering and increasingly sophisticated food science and manufacturing processes and technologies.

IDCP’s halal certification scheme incorporated Good Manufacturing (GMP) and Sanitary Standard Operating Procedures (SSOP) criteria to uphold stringent standards of purity and cleanness. It uniformly established cooperation with government and private sector agencies, including laboratories in carrying out its halal-verification process.

As of 2019, the IDCP had certified food and nonfood products for more than 1,500 companies. It continues to provide the same service, with dedicated platforms for inquiries, halal certification applications, and client care and complaints in their website. It also provides opportunities to improve halal awareness among food sector stakeholders in the country through training and similar events.

Contentions on Halal Authority and Legitimacy

The current discords on halal authority and legitimacy have historical underpinnings. In 2003, the IDCP filed a petition at the Supreme Court against the Office of the Executive Secretary of the Office of the President and the former Office of Muslim Affairs (OMA)(Chan Robles Virtual Law Library n.d.). The appeal sought to declare null “Executive Order (EO) No. 46, s. 2001 - Authorizing the Office on Muslim Affairs to Undertake Philippine Halal Certification” and to prevent the respondents from implementing the EO. The said EO aimed to establish the Philippine Halal Certification Scheme with the following objectives:

- To craft “national standards” and schemes for certifying “halal food and non-food products,” as well as for accrediting halal-compliant establishments
- To “open new markets” and develop “strong consumer confidence” in Philippine halal products
- To advance Philippine halal exports both in terms of “volume and value;” and
- To develop quality, halal-compliant Philippine products.

Through EO No. 46, the government envisioned the capability of local products to penetrate the global Muslim market. It believed that this particular scheme could ultimately contribute to ushering national peace and economic development.

The IDCP contested the OMA’s authority to perform halal certification because that function was fundamentally religious in nature; thus, it was within the purview and dispensation of the Muslim religious sector. It was further argued that the government’s engagement in religious affairs was a violation of the principle of the separation of Church and State.

In technical terms, EO No. 46 was ruled to be unconstitutional as it violated the non-establishment and free exercise clauses in Article III, Section 5 of the 1987 Constitution. Religious freedom was universally guaranteed, though State intrusion into religious affairs was warranted if and when that freedom posed a serious and immediate threat to the community’s security and welfare.

The PUCOI supported the IDCP’s position. Despite recognizing the role of the *shahadah* of technical experts in affirming (likened to *shahadah* or bearing witness) the halal integrity of a certain product, process, facility, etc., it asserted that the final pronouncement or *fatwa* on halal compliance ultimately rested on the ulama or the religious scholars.

The Supreme Court ruling in favor of IDCP set the tone for future halal-related efforts of the Philippine government. This policy shift is evident in the implementation of R.A. 9997 or the NCMF

Act of 2009 and R.A. 10817 or the PPHEDP Act of 2016 that barred government agencies from performing halal certification. The OMA’s functions were repealed because R.A. 9997 favored the creation of the NCMF with a considerably expanded mandate. One of its powers and responsibilities was serving as the lead authority on halal development in the Philippines as cited in Article II, Section 8 (h):

Promote and develop the Philippine Halal Industry and accredit halal-certifying entities/bodies for the utmost benefit of Muslim Filipinos and in partnership or cooperation with appropriate agencies, individuals and institutions here and abroad.

Such functions were undertaken by the NCMF’s Bureau of Muslim Economic Affairs. Former NCMF Secretary Sadain reported that the NCMF formulated accreditation rules and procedures. It also accredited three halal certification bodies during the interim period of 2012–2013. This action subsequently informed foreign Islamic management agencies, particularly Malaysia’s Jabatan Kemajuan Islam (JAKIM) and Singapore’s Majelis Ugama Islam (MUIS).

More recently, the creation of the PHEDP Board or the Halal Export Board (HEB) by virtue of R.A. 10817 in 2016 transferred the NCMF’s mandated role on its halal-related functions to the Department of Trade and Industry (DTI). This move relegated the NCMF to the position of Vice Chair in the new government entity. The Board redefined the trajectory of Philippine halal initiatives from halal industry development and accreditation of halal certifying agencies for the benefit of Muslim Filipinos to marketing and international trade promotion. Other board members are two Filipino Muslim professionals who have experience in the halal industry and the heads of the following government agencies (Section 7):

- Bangko Sentral ng Pilipinas (BSP) or Central Bank of the Philippines
- Department of Agriculture (DA)
- Department of Foreign Affairs (DFA)
- Department of Health (DOH)
- Department of Science and Technology (DOST)

- DOT (Department of Tourism)
- Mindanao Development Authority (MDA)

The Internal Rules and Regulations (IRR) for the implementation of RA 10817 was approved on July 24, 2017. The authority to issue an accreditation was given to the Philippine Accreditation Bureau (PAB), an office under the DTI that has been functioning as the national body tasked to accredit inspection, testing, and certifying agencies. The Philippine National Certification Scheme, one of the bases for accreditation, was signed and approved on October 1, 2018.

As of this writing, the DTI-Export Marketing Bureau (EMB) has announced the HEB's resolution to extend the moratorium on the accreditation of halal-certifying bodies. This decision was made due to the latter parties' difficulty in complying with accreditation requirements because of pandemic-related restrictions (Balinbin 2021).

The duty to set halal standards is assigned to three member agencies (Section 10)

- DA-Bureau of Agriculture and Fisheries Standards (BAFS) for "primary and post-harvest foods"
- DOH-Food and Drug Administration (FDA) for "processed and pre-packaged foods, drugs and cosmetics"
- DTI-Bureau of Philippine Standards (BPS) for "non-food products other than drugs and cosmetics"

The HEB's creation sparked opposition from Muslim groups. Their objection stems from two critical issues: (1) Its exports-driven nature disenfranchised halal's religious character and sidelined local consumption; and (2) The halal program was "not headed by a Muslim agency" (GMA News Online 2016 in Arsad 2018; Perez 2017).

Here are the contentions against the provisions and subsequent implementation of R.A. 10817, as pointed out by former Sec. Sadain.

1. In the current set-up, the NCMF's function as vice chair will be realized only when its

services are sought, e.g., when it is consulted on Islamic principles or halal matters.

2. The appointment of Muslims to become members of the HEB is not compulsory. This renders correctness in halal accreditation and related activities debatable since only Muslims have the full comprehension of halal standards.
3. There are no specific provisions on fraudulent certification. The PAB does not have police power to impose sanctions on erring or deceitful certifiers. It can only investigate and refer such cases to either the Department of Justice (DOJ) or the DTI, citing applicable consumer protection rights guaranteed under R.A. 7394 or the Consumer Act of the Philippines.

The DOT's newly touted Muslim-friendly trademark puts Muslims' concerns to the fore again because these are not within the charge and control of Muslims despite the infusion of Islamic elements in the agency's halal development policies and programs. These sentiments surfaced during moderated discussions in the Philippine Halal Landscape webinar. Specifically contested were:

1. Preference for the "Muslim-friendly" branding over "Halal;"
2. How halal integrity could authentically be assured in Muslim-friendly accommodation establishments; and
3. Marginalized involvement of Muslims in the DOT's latest program.

Admittedly, the DOT program and its attendant components are well-conceptualized. The program precisely identifies tourism touchpoints and displays a comprehensive appreciation of how standard hospitality services should be enhanced to respond to the more exacting halal yardstick. It is, in principle, inclusive of local consumers. Its infrastructure requirements are formidable yet feasible, given that these are mandated by the Philippine government. Expectedly, its full realization will entail a long and dedicated process.

While the DOT is clearly aware of the issues raised against the branding it has temporarily

assumed and has asserted its intent to eventually attain the halal benchmark, it must attend to the cited contestations. This holds true for other member agencies of the HEB. Ultimately, halal authority and legitimacy rests on the capacity and validity of the people and organizations to guarantee halal integrity. The patent need for the government to revisit its framework for halal development cannot be overemphasized. Otherwise, the program's intrinsic flaws could subsequently undermine the entire Philippine halal structure.

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