Hallmarking Halal

The Market for Halal Certificates: Competitive Private Regulation

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Paper presented at the third biennial conference of the ECPR Standing Groups on Regulation and Governance, University College, Dublin, June 17-19, 2010
Regulating Halal: a Case of - as yet - Private Regulation

On the one hand citizens expect and demand protection against ever more risks and uncertainties in life from their governments. Globalization has increased international dependencies: we may suffer here from an outbreak of bird flu in Asia or from US house owners who can no longer afford to pay back their mortgages. And the advances in science and technology, including ICT technology, have increased our awareness of risks that we hitherto may not have been aware of: the possible carcinogen effects of specific chemicals, the treat posed by a new flu virus somewhere in Mexico, the outbreak of a volcano on Iceland. One we have knowledge of such risks we can no longer pretend not to know. The media inform citizens as well as governments instantly across the globe about new threats and risks. Threats, crises and scandals get amplified, and it seems as if we live in a very insecure and crisis-ridden society. In a way the instant diffusion of information adds not only to the crisis-awareness, but also to the seriousness of the crisis. Crises can become self-fulfilling prophesies. Fear of BSE-food or dioxin-poisoning creates a buyers’ strike for beef and thus a crisis in the food sector. A few ill-advised words about the stability of the Euro uttered accidentally by a central bank or country president can send the value of the Euro on financial markets down. Governments cannot disregard this information about new risks, crisis, and scandals. They are expected to act forcefully and effectively. Failure to do so, resulting in even a minor number of victims, can become political suicide.

On the other hand citizens expect less bureaucracy, understood both as structure - government organizations and their employees, the ‘bureaucrats’ - and as process - tedious and overly formal bureaucratic hassles, procedures, forms. If there is one theme that seems to unite all parties from left to right in the recent (2010) Dutch parliamentary elections than it is the call for ‘less government’, ‘less bureaucracy’. In order to solve the dilemma posed by these contradictory demands for more government action but less government, states have been inclined to offload, outsource or ‘privatize’ regulatory tasks: shifting the responsibility (and blame) to supra- and sub-national levels of government, as well as to private actors or newly created more autonomous semi-public ones, placed at arms’ length of accountable politicians.

There are, however, still risks for which governments have - as yet - managed to avoid responsibility. This paper deals with such a case: the risk for Muslim citizens that they may eat or otherwise consume bad quality goods, goods which are forbidden by their religion, that are ‘haram’. They need to know whether the products they buy and consume are ‘halal’. Such risks for Muslims have increased due to several developments. First, the food value chain ‘from farm to fork’ is becoming ever longer, with more and more food products offered for sale being composed of many ingredients, both from natural as well as industrial origin and having undergone a variety of treatments. Secondly, these food value chains are also becoming global chains. Both factors make it increasingly difficult to evaluate whether composition as well production methods satisfy Muslim food standards. Third, with the migration of Muslims to Western multicultural societies, Muslims get confronted with a plethora of possible haram products on offer. Hence their risk of inadvertently consuming haram has increased. One could say that they are suffering from some form of crisis: risk and uncertainty about whether they inherit the Muslim nirvana.

Yet governments in non-Muslim countries including the Netherlands have refused to get involved in the regulation and enforcement of halal product standards. They do not see it as their responsibility to protect the religious security of their citizens. That is, this is not a case of increased complexity of regulation due to market liberalization, privatization and deregulation. It is a case complexity of (proto-)regulation in a market that has already been a liberalized one and where increasingly a need for regulation is being felt.

It remains however to be seen how long Western governments will still be able to maintain their position of non-involvement. The developments just mentioned do not only affect Muslim minorities in Western countries but also Muslim majorities in Muslim countries. And the Netherlands, being traditionally a major exporter of food products, exports also increasingly to such Muslim countries with the increase in prosperity in these countries.
The global market for halal products is currently estimated to be at 1.6\(^1\)-1.8 billion consumers - one out of every four human beings. The estimates of the global product value depend on which products and services are being included. For halal food alone the estimate was $634.6 billion, but if one included other goods and services where halal is important (cosmetics, pharmaceuticals, clothing, financial services, hotel operations, even tour packages) the Malaysian Halal Industry Development Corporation, a rather professional organization in this world, comes to an estimate of $ 2.1 trillion\(^2\).

Quality Problems have haunted this trade. There have already been cases of Muslim countries destroying whole shiploads of Dutch meat products because of uncertainty over their ‘halal quality’. This implies that what seems to be a ‘private interest’ of a limited ‘public’ within the broader Dutch public, is about to become also a interest of the whole Dutch public, the public interest in exports, economic growth, jobs, prosperity. The private Muslim interest has also Dutch public interest dimensions. Just as has been the case around 1900 with Dutch dairy export interests. Scandals over Dutch butter and cheese exports in among others the United Kingdom eventually led the Dutch government to enact one of its first food quality laws, the Landbouwkwaliteitswet.

In the absence of any public regulation there have been private initiatives for halal quality regulation. The demand for risk reduction, i.e. for information about the halal quality of food and other products, has been answered by a supply of private regulation in the form of organizations offering halal certification and halal hallmarks. The market for halal products has given rise to a derived market: a new market for information and halal certification. Whereas in other policy areas there has been a vertical as well as horizontal proliferation of public and semi-public regulatory authorities, here there has been a horizontal proliferation of private organizations trying to regulate the halal market through certification. However, in the background also public authorities may come to play a role, in particular also foreign public authorities from Muslim countries that are about to get called in to provide authority to the certificates of some Dutch domestic commercial certifiers.

This paper gives an overview of the Dutch market for Halal certificates. It discusses a number of typical problems on such a market of information and private certifying regulation: establishing reputations and credibility, securing funding, organizing inspections and effective enforcement, developing credible sanctions, managing diversity (there are different degrees of Halal as well as different teachings and different degrees of strictness), market failures, fierce and unfair competition, Intransparency, fraud and ‘Halal laundering’, regulatory competition among private regulators, whereby bad products threaten to drive the good ones from the market, leading eventually to loss of trust of consumers in the certificates, and ineffectiveness of regulation through certification. Furthermore, the paper investigates a number of solutions that have been tried to counter such problems, including accreditation by foreign organizations in some Muslim countries like Turkey or Malaysia. The case is hence interesting for various reasons: the difficult relation between state, markets, and civil society, the latter here in the form of religious communities; the problems of regulation through private certification in market-like situations; all with an international relations dimension.

1. Introduction: State Involvement in Regulating Halal?

History abounds with market failures: assymmetric information, absence of regulation and products that are easily tampered with all give rise to markets in which goods are not so easy to trade, or even lead to a complete absence of trade as was theorized by Akerlof with the “lemon’s problem” (Akerlof, 1970). The absence of trust in such markets does not only reduce prosperity as economic activity


\(^{2}\) http://www.hdcglobal.com/portal/indices/index_219.html
decreases, but has also consequences for society at large. Distrust is sand in the cogwheels of society, in the economy, politics and government administration. Many have already pointed to the dangers of a decrease of mutual trust for the social structure in society (Fukuyama 1995, Putnam 1993). Problems of certificate inflation, product laundering, and collective action produce calls for yet a higher or more respected authority to back up the reputation of the certificates or even to take over the responsibility for the certifying itself. Such an authority could in principle be anyone whom the customers consider an authority, varying from God and his representatives on earth to expert scientists to pop stars, film stars, soccer heroes or other charismatic figures. A critical press broadcasting critical consumer programs such as in the Netherlands 'Zembla' or 'Keuringsdienst van Waarde' could also contribute.

However, in our secular society the last authority has sooner or later has become the state, as it is considered ‘the ultimate risk manager’ (Moss 2002). It has in principle the power to enforce its standards. Furthermore, most citizens believe the state to be more neutral and objective than private actors with their particularistic self-interests, because a) it does not need to be directly paid by those to be certified, as it can fund its work out of general tax income; and b) it is accountable to the general public, i.e. to the control institutions typically of a democratic constitutional state. After all, in such a democratic country the state is ‘from us all’ and therefore expected to represent the ‘public interest’. What is more, as long as citizens trust the state to be so, it is sufficient for public certification to do the job of providing trust of potential transaction partners in markets.

Given the public interest in facilitating and encouraging economic transactions, states have early on assumed a role in ordering markets. The centuries old process of state formation went hand in hand with increase in transactions and economic growth, whereby the one facilitated the other and vice versa. The increase in trade and prosperity allowed for surpluses to be taxed to fund the state and its regulatory and enforcement organizations. Conversely, the market ordering by the state reduced the risk of transactions, thereby facilitating and increasing them.

In this study we intend to focus now on a case which forms an exception to the rule that where a public interest is involved, sooner or later public regulation in one way or another has emerged: the reduction of risks and uncertainties for buyers of a special kind of products, halal products, products that are safe for Muslims to consume or use. There is a clear public interest involved here (albeit a different one for different ‘publics’) but as yet there is no involvement of public authorities and employment of public resources, such as tax money, the neutral reputation of the state, and binding regulations backed by criminal or administrative sanctions.

The Dutch state has refrained from intervening here, at least with economic public law measures. (It does of course back private contracts by civil law.) It only feels a responsibility for the physical well-being of its citizens and hence controls whether food - an important halal product - is safe for the body, not for the soul. The Dutch state does not feel responsible for the enforcement of religious standards for food or other products.

Even if the state would get involved, it is questionable whether the specific public (Muslim consumers and traders) would even like the secular Dutch state authorities to get involved, whether they would trust it enough, or even see a task in the enforcement of their religious standards.

In the absence of such state intervention a market for private halal-certification and product-information is evolving both in West-European countries and globally, which forms an interesting case for studying both the ups and downs, strengths and weaknesses, problems and solutions of a newly emerging market, as well as for studying its capacity as a private regulator for another market, that of the halal-products that it certifies.
2. A New Market: The Demand for Halal Product Certification

2.1. The Problem: Halal Trade Fraud, Adulteration and Halal Laundering

On January 21, 2010, the Dutch TV program *Keuringsdienst van Waarde* (‘Inspection of Value/Commodities’) aired a critical documentary on the quality of döner kebab under the title ‘investigating the exotic ground-meat stick’ (‘Keuringsdienst van Waarde onderzoekt de exotische gehaktstaaf’ [http://sites.rvu.nl/page/7202](http://sites.rvu.nl/page/7202)). The journalists bought a random sample of 10 such Turkish sandwiches sold as made of “100% lamb” from different snack shops and had them analyzed in a laboratory. Only 1 of them turned out to be really that what it was pretended to be: 100% lamb meat. The others were made of: 1x 100% mutton, 1x 100% beef, 1 x 100% turkey, 1 x 100% chicken, 5 x a mixture of mutton and beef, and, believe it or not, one sandwich, sold as lamb, was made of 100% pork. Now, getting cheated is already a hassle for any consumer. But for a practicing Muslim consumer to buy lamb and get pork is a way more serious affair. Lamb is ‘halal’ or pure; pork is ‘haram’, unclean or even sinful. It is about the worst that can happen to a devout Muslim. Already to be in the neighborhood of pork or eating something that has been transported in the same van as pork is a threat to salvation.

However, the sandwiches were cheap: 2 euros on average. The TV-journalists went also to Germany - where döner kebab originated - and confronted kebab sellers there with the story. They were highly surprised: ‘Of course for 2 euros it could never have been pure lamb, as that is much more expensive! They must have put in all kinds of garbage!’ Pork, but also mutton and beef are cheaper ingredients. And Dutch consumers are known to be price buyers when it comes to food, in comparison to other national cultures - Italy, Germany, France - where food quality is higher valued and people are willing to pay higher prices for quality (Van Waarden 2006). What is more, customers of kebab booths are not likely to be critical, sophisticated and dainty gourmets, but youngsters looking for a quick, nourishing and cheap snack.

Apart from price competition, sellers may be tempted to use cheaper ingredients than pretended in order to reap extra profits. Even if it would mean that they would cheat fellow Muslims on their road to Allah’s nirvana. Whether the incentive would be to lower costs and prices (in order to withstand or outperform competition) or to reap extra profits, the effects would be the same: lower food quality.

The temptation to follow such a strategy is of course facilitated if consumers cannot easily judge product quality. Typically, transactions involving food are characterized by information asymmetries. The seller tends to know more about the quality than the buyer. Where, when, and under what conditions was it harvested, preserved, processed, stored, and mixed? The asymmetries increase as the distance from farm to fork increases, that is, as consumers cannot themselves trace food products (any more) to the original producers and with already only a few more intermediaries and processes in the food value chain this becomes practically impossible. Furthermore, as the food chain gets longer, original foodstuffs get cut up, processed, mixed, etc. in a great many combinations, resulting eventually in the ready made foodstuffs that we nowadays find in the supermarkets, all unimaginable when Mohammed wrote his food laws around the year 600 (Although Muslims believe that He had foreseen everything, so this as well). The consumer cannot know anymore what all went in the making of the food that he gets or puts on his plate. Chewing gum, candy and chocolate contain gelatin as a thickening agent that may be derived from pork skins and bones. Many Muslims know this about candy, but less known is that it may also concern chocolate. Additives like the E-numbers 472, 441, 485, and 471 are also likely to be haram. But will Muslims shoppers go around with a long list of E-numbers, checking every individual product? The best one can do is to believe the information that the producer has put on the package. But even that requires frequently quite a leap of faith. The distances in space and culture, and the decomposition and recomposition processes, provide countless
opportunities for fraud and deception. This holds all the more for halal food, as quite a few of its standards are process standards rather than product standards. The latter can in principle be tested at the final product, the former not, making it even more difficult to detect fraud.

Notwithstanding these detection problems, stories about fraud with halal products abound. The kebab story just mentioned is only one among many cases of fraud and deception of Muslims with supposedly ‘halal’ food. In November 2009 the general Inspection Service (Algemene Inspectiedienst AID) from the Dutch Ministry of Agriculture raided Fasen Meat Trading, a meat wholesaler from Breda. Using forged documents the company sold several thousand tons of meat wrongly as halal to Muslims in France. (Volkskrant Nov. 26, 2009). In October 2009 the Belgian hall federation claimed that 60 percent of all halal products sold in that country would be impure.

Modern methods of food preparing and processing poses special problems. Take the case of chicken filets. When Muslims buy chicken, they may be under the impression that that is halal. They think they buy halal meat, but, in our modern day and age of food manipulation they cannot be sure. In June 2003 Dutch agricultural minister Veerman admitted in a letter to the Dutch parliament that ‘in Dutch chicken products, which have been sold as halal or kosher meat, beef or pork proteins may have possibly been added’. The newspaper De Volkskrant explains: ‘Many salted Thai or Brazilian chicken filets, imported by Dutch poultry processors, are being “tumbled” The salt is washed of the chicken and the meat is subsequently again “brought up to taste” with water and animal proteins, often also pork or beef proteins. Except for being “brought up to taste”, the chicken filets are thus also made several tens of percent heavier, i.e. it allows the producers to sell water as “chicken” and for the price of ‘chicken’. Such additions are permitted in the EU as there is no danger to public health danger.’ Yet it does pose a danger to the moral health and peace of mind of Muslims and Jews. And they had no way of knowing, as frequently these additions were not mentioned on the product labels, as the Minister admitted (‘Geknoei met smaak kip niet altijd op etiketten’, De Volkskrant June 16, 2003).

Muslims are not alone in their distrust of food. According to the Consumer Monitor 2004 of the Dutch Food Inspection VWA only 2 out of every 3 Dutchmen and -women considered the food on the shelves of the store sufficiently safe. Poorest scores were there for chicken (trusted by only 33%), ready-made-meals (36%), and vitamin tablets (43%). More trust was there in bread (82%) and cheese (80%) (Schouten and Timmers 2005).

Distrust can be expensive, especially if it gets confirmed by scientific evidence. It can be expensive for the peace of mind, but also for the purse, arguments that each may appeal to one of the two classic cultural identities of the Dutch, that of the preacher, and of the merchant. In 1978 Egypt dumped eight containers of so-called ‘Beef Lanchos’ from Dutch meat producer Zwanenberg into the Red Sea. These Lanchos were a mixture of beef fat and powdered pig bones, and were, notwithstanding the names, 99% pork. Before, Egypt did not have the right equipment to analyze the composition. Saudi Arabia did, and sold it in 1978 also to Egypt, and the fraud was detected. Subsequently, The Netherlands was blacklisted for a while by several Middle East countries (HIC interview). Sometime later, Saudi Arabia confiscated a ship full with shoes from China. The boxes read ‘manufactured according to Islam rules’, unjustified. The ship load was completely burned at the cost of the exporter, the ship was chained for 21 days, the costs, all at the cost of the exporter, and the captain and crew were jailed. (Interview Farouk)

The Saudis and Egyptians could afford costly laboratory methods and protect their citizens from haram food and shoes. However Muslim consumers in Europe living in a dominant non-Muslim society have no state controls which to trust and neither can they afford such expensive investigations themselves. This case brought however the importance of halal-certification for exports home and led to the first private attempts at halal certification, encouraged by rich Middle East countries which are major meat consumers.

2.1.1. Food Adulteration, Food Laundering and Food Regulation in general

Food adulteration has been a practice from time immemorial. Bread has been diluted with plaster, sand, bone meal and even poisonous lead-white; milk with ditchwater; water has been added to wine; and beer was given a more hop-like flavor with arsenic (Rougoor 2003: 24). Time and again bunglers
have popped up, in different disguises and in different markets, especially new emerging ones, and caused sooner or later scandals (see for a recent overview of food adulteration scandals Bee Wilson 2008). Adulteration was also of concern for industry. As the reputation of Dutch agriculture and dairy worsened, they lost their traditional export markets, the surrounding industrialized nations. Ever since, trade interests have dominated Dutch food standards. (Geluk 1967, Van Waarden 1985)

Such scandals have frequently been a cause for regulation. Therefore, statutory food regulations have been almost as old as food markets. Much public regulation of markets has been incited by scandals and crises, as we see now again with the crises and scandals on financial markets. These destroyed the trust in specific products and producers as well as in earlier attempts at private self-regulation of markets. History abounds with them: the Dutch dairy scandals around 1890 mentioned earlier; the economic crisis of the 1930s that sparked the development of the French system of Appellation d’Origine Contrôlée (from 1935 on); in the 1980s the Austrian scandal of mixing ‘anti-freeze’ in their wine (to sweeten it). The recent animal epidemics (BSE, foot and mouth disease, pig and chicken pests) led to a tightening of veterinary inspections, animal feed standards, and got European institutions yet more involved in food regulation, occasioning now the establishment of a European food regulatory agency.

The scandals reduced the trust of the public in private forms of regulation, which had been usually tried earlier, in particular in the Netherlands, which has a rich history or private self-regulation. They made it clear that private solutions to the risks and uncertainties of the market do have problems. Often, a first reaction of the state to deficiencies of private risk and uncertainty reducing institutions in food markets has been to support them. Furthermore, it increases public trust in commercial risk and uncertainty reducers, such as accountants or insurance companies, by holding these themselves to standards; it helps self-regulating associations solve collective action problems by recognizing them. Eventually it supplemented or replaced private by public regulations. Where the market and commercial organizations produced a proliferation of standards which threatened to make markets again intransparent, it set uniform and authoritative standards: for weights and measures, pricing units, vocational training or university degrees, and food quality certificates. And it created its own enforcement organizations, such as national, regional and/or local food inspectorates.

Following these earlier examples, can we now expect also a public regulation of halal-standards? For the time being it does not look like it. The Dutch state is declining to do so. The Food Inspectorate VWA says that it has no business controlling for religious food standards, and the publicly funded Food Information Center (Voedingscentrum) considers ‘halal not our mission. We are not there to supervise the maintenance of religious food standards.’

Still the problem of adulteration will remain. The issue is actually an especially sensitive one here. For the Muslim consumer audience this is not only an issue of honest trade, but also a moral issue, an issue of living according to the rules of Islam, an issue of salvation and access to the hereafter. The publicity over halal adulteration and laundering is likely to only have fueled feelings of uncertainty and distrust. Realizing that the risk to get cheated is high they may henceforth refrain from engaging in any kебab transaction at all. More than 200 people reacted to the documentary on the website of the broadcasting corporation, and one of the more frequent lamentations was ‘what can we still trust if even our kебab ....’

For its part, the industry may have an incentive to clean up its reputation. Producing henceforth pure food may not be enough. As with any generic product, the reputation of their product also depends on the quality of the products of their competitors, as long as consumers cannot easily distinguish. One solution may be to try to establish a ‘brand’ reputation for their own shops or booths. At the local level that may work. Otherwise commercial third party information and certification, and perhaps self-regulation of the industry, will be needed. Therefore, private initiatives are to be expected, and indeed, they are emerging.

The current study will explore the private regulatory world that is emerging around halal food for both domestic and foreign markets, and in particular the newly emerging market for private certification services. First we will delve into the specific nature of the product to be certified, halal-
food, as defined by Muslim religious rules. Then we will chart demand and supply for certification, the typical problems experienced by this market and its suppliers, and the solutions that have been sought to address these problems, both by the supplier-firms as well as outsiders.

2.2. What is true Halal? Nature of the ‘Product’: defined by Religious Norms

2.2.1. The Background: Islam, Halal & Muslims

a. Halal & Islam: two inseparable concepts
The discussion of the concept halal with all its aspects and applications is fully embedded in the teachings of the Islam; it both derives its raison d’être and its rules from the religion. Consequently, deviations and disagreements over the concept of halal come from different interpretations from the main Islamic sources, although most interviewees seem to discard these differences mainly as a “lack of knowledge”: if “they” would truly understand the meaning and message of Allah, they would certainly agree upon the rules concerning halal. However, these rules seem not to be as clear-cut as many Muslims would like to see them, which is likely to reflect the same fragmentation as displayed by the Ummah, the global community which brings together all Muslims. Therefore, to place the discussion of the concept of halal in the right context, a short discussion of the Islam and its main features is necessary.

b. Islam on a shoestring
The roots of the Islam lie in the historical-religious places of the Arabic peninsula; this is the place where Allah - the Arabic word for God - revealed its last message to his chosen messenger Muhammad around 600. This message as revealed to Muhammad is literally written down in the Qur’ān, which is the central scripture of the Muslims and considered holy, both its physical presence as its words. It is considered to be the last and just revelation of God, which overrules the previous books of the Christians (the Bible) and the Jews (the Torah). Muhammad is the messenger of this revelation, and is seen as the perfect man and the embodiment of Islam: “he was a Qur’ān walking on earth”. (Citation from Islamic scripture, in: Rippin, 2005:55) His life and actions are therefore seen as the example and even law; men should live and act to his example, and the scriptures in which his life is written down, which is the body of the Sunnah, is as a consequence the second main authoritative source of the Islam.

However, these sources date from persons living in an ancient society of some 1400 years ago: how to bring together contemporary life and the laws of that time? After the death of Muhammed, the practice of ijtihad – personal reasoning and/or interpretation of the Qur’ān and Sunnah or the making of new laws – was quite common until the event described by “the closing of the door of ijtihad” around the 10th century: from then onwards, no men was allowed to make new laws, although this has been under discussion in recent years. (Vikør, 1995) How then to incorporate recent concepts as Biotechnology, modern society and internet in a religion based on scriptures written down in a society which existed some 1400 years ago? There are two widely accepted concepts which are able to build this bridge between those holy, authoritative yet ancient sources and present times: ījmā, or the consensus of the Ummah and/or Islamic scholars, and qiyaṣ, or analogy. This is mainly Sunni jurisprudential theory, which “has its ultimate basis in the work of al-Shafi’ī”; a Muslim jurist who lived around 600 BC (Rippin, 2005:94).

3 Please note that we do not pretend to be Islamic scholars, and do not have any intention to be regarded or interpreted as such. It is largely a description of the opinions as generally found in the literature review, during fieldwork, interviews and consulting online fatwa sites.


Even though these concepts allow for a modern and flexible Islam which can adapt to all places and times, it is at the same time this same flexibility that creates diversity in the interpretation and design of the Sha’ria, the Islamic laws: for some, only scholars are allowed to practice ijmá and qiyās, while for others the Ummah or even individual practicing Muslims are entitled to engage in these practices. Moreover, many Islamic leaders (Imams) or Islamic scholars (muftis) can make different interpretations of the same case, depending on many factors as for example ethnic identity, local practices/tradition, generation or Islamic current. This often results in different advises or answers (the so called fatwa’s) from different religious leaders or scholars: these fatwa’s are certainly no Islamic law, but are opinions of Islamic scholars that are merely advice, although Muslims often consider these fatwa’s as personal laws. These differences in Islamic thought might seem unacceptable from a “Western” point of view for law, but are generally accepted among the most prominent Islamic scholars, although within certain boundaries. On ‘Islamonline’, a very popular site on which Islamic scholars can be consulted (give fatwa’s), the issue is addressed by Dr. Sano Koutoub Moustapha, professor of fiqh at the international university of Malaysia, in a fatwa issued on August 26, 2008, in which is stated: “If the issue is controversial among Muslim jurists and the contradicting opinions are issued by qualified and sincere muftis, then one can follow the opinion that he or she is most comfortable with” (Mufti Sano Koutoub Moustapha, fatwa of 26-08-2008).

So despite the often found contradicting rulings, ijmá and qiyās remain both cornerstones of Islamic Shariah. However, it should be kept in mind that these sources of Islamic law are the secondary sources after the primary sources: firstly, the holy scripture the Qur’an, and secondly the Sunna of Muhammad.

2.2.2. Unity or Heterogeneity?
As is described in the previous section, there are many contradictory opinions present within the Ummah: it is certainly not a united, coherent community. The absence of a central (living) source of authority, as for example the Pope in Catholicism, also reflects this fragmentation. Different schools within the Islam, (although only between the Shia an Sunni Islam are found large differences, within the four main current of the Sunni there exists a large consensus on most topics) and the dispersion of different Muslim communities over the globe with different ethnic backgrounds and histories enlarge the existing differences within the Ummah, although the upcoming popularity of the internet might bring different opinions closer together.

a. Halal – Harām: and something in between?
Most Muslims refer in the discussion of what is allowed and not allowed (or for that matter, good or bad) to the concepts of halal, which means permitted, and the opposite term of harām; forbidden. This dichotomy of opposites is used by most Muslims in deciding whether something is according to Islam or not, and therefore is used in many aspects of life. Or as Rippin states, it “provides an element of the foundation for Islamic ethics.” (Rippin, 2005:30) This is also reflected in daily practice of Muslims as discussed by de Koning (2008), he suggests that this somewhat black-and-white thinking might have to do with “the desire for certainty and the ability to give clear-cut answers”. (de Koning, 2008:228) As also de Koning notices, this is quite peculiar since this dichotomy does not exist in official Islamic jurisprudence, where a more refined system of classification is used. This system (called al-ahkám al-khamsa) classifies each act into one of the five categories: obligatory (wajib), recommended (mandub), permissible (mubah or halal), disapproved (makruh), or forbidden (haram). Speaking broadly, a Muslim has to adhere to the rules relating to the acts that are classified as obligatory or forbidden since ignoring these will bring punishment in afterlife, while the doubtful cases of the recommended and disapproved categories will bring reward for those who adhere to them, but no consequences for

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6 Sano Koutoub Moustapha, Fatwa:
those who do not. All the other acts, which are regarded as neutral, are classified as permissible. (Rippin, 2005:97) However, most Muslims are only vaguely aware of this categorization, and is indeed more often used by the Islamic scholars than in daily practice.

How reflects this theoretical notion of halal and haram the classification of products as will be discussed in this paper? If asked, most non-Islamic, Dutch people think of halal as “food that contains no pork”. (interview Mekkafoods February 22, 2010) However, this notion of halal fails to recognize the wholeness of the term halal: it is not only a product, but a way of life. It encompasses everything of good quality, from speaking with the right (halal) words, to halal meat to the halal way of life: the Islamic way of life. Muslims discuss their Islamic identity and behavior by using the term, and also to consult Islamic authorities when confronted with doubt. Additionally, notions as halal make-up, halal banking and halal behavior are commonly used: clearly, the concept of halal encompasses far more than solely the notion of “food without pork”: it is the Islamic way of life.

It should be clear however, that this notion of halal and haram is not a clear-cut static concept, but depends very much again on the personal/cultural/ethnic interpretation as discussed in the second and third section, and can change over time and space, and depending on which scholar you consult.

2.3. Halal Product Definitions

2.3.1. General Halal Food Standards: the Devil is in the Detail

How does everything that has been discussed in the previous sections – currents within Islam, no central authority, flexible interpretation of Islamic laws and concepts as ijmāʿ, qiyāṣ and the shaded area between halal and Haram – influence the discussion of halal food? In short, the Islamic way of life should be halal, and an important part of life – food consumption – should be halal too and is thus very much embedded in the whole discussion of what Islam is and what being a Muslim entails. Consequently, the definition of a halal product is very much related to the definition of one’s Muslim identity and the related interpretation of Allah’s commands, as for example the interpretation of the commands: for example a more strict or flexible way of interpreting the rules, depends on the Islamic current or ethnic background that defines a person.

Hence, there seems not to be such a thing as a general accepted halal food standard; differences in what is accepted as being “halal” do exist. Nevertheless, it is clear that a Muslim should eat halal food, as is stated in the Qu’ran: “O people! Eat of what is in the earth, halal and Pure, and do not follow the footsteps of Satan. Indeed, for you he is an open enemy” (Qu’ran, Surah al-Baqarah, 168).

Additionally, a general consensus of what is accepted to be halal among scholars and Muslims in general is also certainly in existence: everything that is literally in the Qur’an, is without doubt a general ruling for what is seen as halal. The only difficulty concerning these verses is how to interpret them: differences in opinions come from differences interpreting the Qur’an, not from accepting or not accepting what is written down. The Qur’an is holy, not only what is in there, but also its physical presence, and everything that is in there, is as a result holy too: scholars will never doubt that. So verses explicitly discussing certain foods form the core of the halal prescriptions, which can be summarized as such:

General halal food rules:
- the animal is from an allowed species (as literally defined in the Qu’ran, excludes for example pork and most meat-eating animals and insects)
- all parts of an animal that is not halal, is forbidden.
- eating blood is not allowed
- so is alcohol

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Slaughtering-rules:
- the slaughtering must be done by a Muslim, Christian or Jew
- the animal should be slaughtered while blessing the animal by verbally invoking the name of Allah/God (regularly, Bismillah Allahu Akbar)
- the slaughtering must be done with a sharp knife or other tool, killing the animal by cutting the animal in such a way that it dies as quickly as possible
- the animal should be alive when slaughtered

*a. Additional rules (again, very roughly stated)*
In addition to these rules, many more are considered to be essential to define it as being halal, examples are for example that the animal and / or slaughtering person should face Mecca when slaughtered, that the animal should not see the knife before it gets slaughtered, that the animal does not witness other animals being slaughtered, etc. The latter are further elaborations of animal-friendly slaughtering, which is inherent to halal food.

*b. Major points of controversy over halal*
The above rules are the core of what is considered halal: the majority of mainstream Islamic scholars agree upon these rules. However, there are some major items on which scholars do not always agree, or over which many Muslims remain confused. These points in the “grey area” between halal and haram. (For a more elaborate discussion, see the extensive version of this paper for the Wetenschappelijke Raad voor Regeringsbeleid in the Netherlands or the book of Riaz & Chaudry.)

- *Machine Slaughtering*
- Food from “the People of the Book”
- Evoking the Name of God during slaughter
- When no other food is available: eat harâm food?
- Facing Mecca
- Stunning before slaughtering
- Transporting halal together with harâm food
- Guarantee for halal status

**2.3.2. Consequences for Different Types of Products and Production and Distribution Processes**
These religious norms have to be operationalized by producers, traders, consumers as well as by possible certifiers in order to determine for concrete products and services whether they are halal or not. Halal standards refer both to the composition of products and to the manner or process in which they have been prepared and distributed.

*a. Product Standards*
This is still easiest as composition standards can be tested at the point of consumption for forbidden ingredients, such as pork or alcohol. Certainly with modern laboratory methods it is possible to detect even the tiniest trace of pork or other haram animals in meat that is sold as halal. There have been several cases where Saudi-Arabia found such tiny traces, which made it destroy the whole shipment of which this piece was a part. As such, Muslim’s interest in food adulteration is different from classical cases such as using cheaper and less quality ingredients, since the concern is less about the quality or monetary value for which one is cheated, but the religious values that are violated.

*b. Composed Foods*
Product standards become more of a problem with the zillion composed and ready-made food products turned out by the modern mass food industry. The large majority of products displayed on supermarket shelves are such composed products. New additives, plastics, special casings and gases preserve food longer, and more efficient logistics distribute it faster from a few centralized locations of
production. Ingredients in these composed foods can come from many sources, even unlikely ones. Spices and additives, like thickeners, colorants or preservatives, could also come either directly or indirectly from haram sources: some red colorants are made from lice, and gelatin in candy or puddings could be made from pork bones. Dairy products such as cheese would be haram if the milk is curdled by a rennet derived from pig stomachs. This poses Muslims with many doubts for their dairy consumption, certainly for some immigrants who are not used to such complex foods.

c. Non-Food Products
Although halal rules are best known as food standards, they also may affect non-food products. Important for Muslims are in particular products that may touch the body in other ways than as food, such as pharmaceuticals, cosmetics, shampoos, or even clothes. All these are ever so many composed products which could contain traces of haram animals: gelatin in pills, starch and synthetic colorants in clothes. Halal rules furthermore can also apply to services, like halal banking, that is, banking according to the Sharia rule that it is haram to charge or may interest. Creative banks have in the meantime found ways to get around this condition. In the case of a halal-mortgage, the trick is that the bank buys the house, and sells it for a higher price back to the owner, the difference being the profit the bank expects to make. In that way the buyer pays back the loan in the form of a higher price, but officially without interest. New halal-products keep appearing, e.g. recently nursing homes and care centers for elderly Muslims, complete with halal food provision (Vk. 25-05-2009 'Zorg: nu ook van islamitische snit'). And what to think of the old-fashioned piggy bank ('spaarvarken') for kids? That too would be haram for Muslim children. For the bank Fortis it was a reason to stop with its 7 year program to give children a piggy bank as present. It got immediately greeted with howls of derision as well as 'creative' suggestions to replace the symbol of luck and of saving with a goat or camel bank.

d. Process Standards
Particularly important for Muslims are process standards. This holds for the whole chain of production and distribution, from farm to fork, so to speak. This, halal-standards have in common with the standards for organic food or for fair trade. It starts with the farm where the animals have been bred. Animal welfare is already there a concern. Did the animals have a 'humane' life? How were they treated by the farmer? What food did they eat? Were they transported decently from farm to slaughtering house, e.g. not shoveled by a tractor into the slaughtering house, because their legs were too weak to stand on (a recent scandal in the Dutch food industry)? Then again a process, the actual slaughtering, is a concern, probably the most important concern in halal: the animal should not arrive dead at the slaughterhouse, it should be slaughtered alive; by a Muslim or at least 'someone from the book', with a special quick method, while mumbling 'bismillah Allahu akbar', etc.

Subsequently, the further transport and distribution along the supply chain is an issue for regulation as all the rules have to be observed throughout the process. At no point in time the food should come in contact with haram objects, i.e. lamb, sheep or beef should not touch pork, pig hairs or alcohol. There should be no possibility of cross-infection. Being strict on these process standards would be the Muslim variation of the 'precautionary principle': keeping everything separate, just to be sure that cross contamination is in no way possible.

Having a separate system for processing and handling of halal products can be very expensive. Such separation can actually only be afforded by companies which work only with halal products, varying from the local neighborhood butcher to a larger pure halal producer; or it must be a very large company which can afford two separate slaughtering and processing lines, such as Mekkafoods in Venlo. However, it also means that with halal products way more can be saved - and hence earned - by being not so strict about maintaining separate chains for production, storage, transport, distribution, i.e. by making more commercially efficient use of one’s installations, rather than be mixing some cheaper raw materials into the product and pretending it to be of purer composition than it really is, as with classical adulteration.

Halal fraud could hence also mean not being very particular about process standards. That is probably also the most frequent kind of fraud, as it is the easiest. What makes process standards differ
from product standards is that they are much more difficult to enforce. Product standards can be enforced at the final place of consumption: by analyzing the composition of the product. But how the product has been handled during the whole supply chain can impossibly be determined at the location of final consumption. It requires a much greater leap of trust. (Hence such standards have also been called ‘credence quality attributes’ (Grunert 2005, Darby and Karni 1973).) Or very detailed and strict supervision of all the processes the product has passed through, something most certifiers cannot afford. It would also make the products much more, expensive, that is, out of reach of the average Muslim consumer. This already points out the major issue certifiers face: the delicate trade-off between a thorough but expensive halal-process control or a less thorough but far cheaper control.

2.3.3. 100% Halal? Is that Possible?
The complexity of the halal-rules and the diversity in opinions over how these rules should be operationalized and how strict they ought to be enforced, in particular the process standards, has led to a discussion among Muslims whether advertisement claims of ‘100% halal’ can be made. Some argue that a product can be either halal or not, and that 100% suggests that also 99% or 98% halal would be a possibility. Others argue that in our modern day and age with its very different production and distribution technologies a little bit more or less strictness in following the rules must be possible. According to mr. Wahid Ramdjan from Halal International Control (HIC) it is practically impossible in the mass production/slaughtering of chickens to slaughter them unstunned. Therefore Muslims have to be pragmatic and adjust the interpretation of the rules to the times and the current technologies. By contrast, ms. Yasmina Ben-Koubia of the more strict Halal Feed and Food (HV) is of the opinion that stunned slaughter is merely tolerated. But ‘real (100%??) halal’ meat must come from animals that have not been stunned but killed alive.

2.4. The Market for Halal Products

The halal food market is big business: Islam is the fastest growing religion on earth, the average Muslim consumer spends large parts of the consumption bundle on halal meat, average Muslim consumption is rising, national grocery stores and multinationals have recognized the enormous potential of the worldwide halal market and governments of countries with large or total Muslim populations are working on becoming the main player in this booming international halal market. A new reader diving into the world of halal, will repeatedly run into powerful terms as “the booming halal market”, “huge potential”, “unexploited goldmine”, or halal being “an engine of growth and opportunity”. One of the few “western” scholars studying halal, Joe Regenstein of Cornell University, even stated that “food companies are not going to be global unless they’re halal” (Power & Gatsiounis, 2007).

Nevertheless, food companies seem to remain hesitant in entering this promising market; few have a halal-line up and running, and even less are generating large profits from the market: it has been estimated that only 10% of the potential halal market has been entered by the major companies. (KasehDia report WHF, 2009) Apparently, there seems to be some sort of hindrance which prevents companies from entering this global “gold mine”. The halal market is largely a local “uncle-and-aunty” market, depending on personal and local relationships and trust and therefore almost impossible to enter for large, western and anonymous multinationals. This is where the halal certification comes into play; but a more thorough discussion of the market for halal products is necessary first.

2.4.1 Consumer Diversity
An article in The Economist captured the nature of the halal market very well: “the halal market may be buoyant, but the waters are choppy” (The Economist, September 19, 2009). These choppy waters are caused by many things, but one of the main causes is probably the diversity of the halal consumer.

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There is no such thing as “The” halal consumer; As regards their consciousness about consumption, four different types can be distinguished: the “natural” halal consumers in Muslim countries, who are barely aware of the existence of non-halal food; the “conscious” halal consumer in non-Muslim countries who is more aware of its consumption as he or she knows that most of the food in the country is haram; the “western” halal consumer who focuses on healthy, high quality or pork-free food and therefore chooses halal and who does not necessarily have to be a Muslim; and lastly, the “ignorant” halal consumer, who consumes halal food without knowing it as the industry in the west often completely switches to halal food production to achieve economies of scale. These groups are certainly not clear-cut, as the boundaries are blurry and some groups can exists within other groups.

The conscious halal consumer category can be further differentiated by a variety of other variables which are decisive in the halal consumption: the generation, level of education, cultural background/country of origin and religious strictness or current a Muslim consumer adheres to. Sunni’s have a different conception of halal than Shi’ites, but schools within these currents may have again different rules. Beliefs may still be differently operationalized in real-life consumption choices, depending on personal character and convictions. Some may be more lax and be satisfied if they make an effort to avoid pork, while others may minutely check all the ingredients, additives and E-numbers of the food, as well as try to check it for “secondary requirements” of slaughtering, such as absence of machine or of stunned slaughtering.

The religious persuasion may be related to differences in ethnic or national origin. The Netherlands has significant groups of Muslims coming from Surinam (who again may have Indian or Indonesian roots), Indonesia, Turkey, Morocco, Iraq, Iran, and various African countries. They all have different traditions, food preferences and concepts of halal consumption.

Furthermore, there are differences in generation of having been in the west and in educational level. Although some first generation immigrants are highly educated, such as those from Iran or Iraq, on the whole the generational difference tends to have consequences for the level of education and that in turn for the trust in organizations of the host country. A higher level of education seems to be positively related to a higher trust in western institutions including in large anonymous organizations such as supermarket chains. Salima El Haddaoui, a fourth-year student at the Utrecht Polytechnic University (Hogeschool) and currently internee at HIC, did a small study among 85 halal consumers while working at Marhaba foods. She concluded that education seems to be an important factor in how persons consume halal: “A large share of the MBO students [=relatively lower education in the Netherlands, RED] do not trust anything that is in the supermarket, even though exactly the same meat lies also at the Islamic butcher” (Personal communication, March 18, 2010). This seems also to be confirmed by a study of Bonne & Verbeke, who concluded that the group of consumers that trust both Belgium and Islamic institutions equally well, “consisted of significantly more highly educated respondents”, whereas the group that had a very low trust in Belgium institutions were generally less educated (Bonne and Verbeke, 2008:120). One of our (younger) respondents, concurred: “The gap [between the older and newer generations, RED] is too big to close”, referring to the difference between first generation immigrants from rural areas in Muslim countries and their children and grand-children who received education including higher education in the Netherlands. (HAC interview)

All these dimensions – ethnic background, religious denomination, immigrant generation, education, and personal conviction - influence the halal consumption behavior of Muslims. They produce a highly differentiated halal market which presents quite some mysteries for the western marketer who considers entering this market.

2.4.2. The Domestic Market

The domestic market for halal products in the Netherlands is seen to be rather big, as the Muslim population is at present time estimated to be around 1/16 of the total population. It has been estimated that the number of Muslims in the Netherlands is around 940.000; almost 1 percent of the total Muslim population in Europe (KasehDia, 2009). This is also in line with the estimations of an
official LNV report, which states that almost 1 million Muslims are present in the Netherlands (Loseman et al., 2002).

Not only is the size of the market quite large, the present growth rates seem to be substantial too. This is due to several factors. First of all, Muslims show higher growth rates as compared to non-Muslims; of the 80.388 population growth in 2008 in the Netherlands, are 72 290 classified as being “non-western” (CBS, Population Development Data). This trend will most probably continue as Muslims – and non-western immigrants in general – have higher birth rates: where the average amount of children for a native dutch woman is 1.78, this is 1.93 for non-western immigrants and even 2.6 for Moroccan mothers, one of the largest Muslim groups in Holland (CBS, Birth Rates Sorted by Origin Mother). Another reason for this growth is the increasing level of living; as Muslims move up the social and financial ladder, their possibilities to spend more on halal food becomes larger. They become able to pay a premium for halal food at for example grocery stores, ready-to-meals and others: producers can therefore expand the diversity of halal products, which enlarges the market again; a reinforcing expansion. Lastly, the earlier mentioned search for a “pure” Islam causes many (young) Muslims to deepen their knowledge about the Islam. This increased awareness for their religion and its rules, also leads to an emphasis on the halal prescriptions; Muslims are more aware of the ingredients of the food and therefore ask for stricter rules and “real” halal products; the halal consumption extents from meat to food in general, and sometimes even to cosmetics and financial products. The increasing amount of research that is done on this topic again reinforces this development: the halal market is growing, and seems to continue growing.

2.4.3. The Export Market
The export market is very different from the local “uncle-and-aunty” market; personal connections are impossible to maintain when the meat crosses thousands of kilometres and many borders, with the ever increasing food chains. The export market is therefore far more organized as compared to the domestic market; more regulations are necessary and central checkpoints such as the national customs, prevent a very unorganized market to emerge. As was the case with the domestic market, estimations are very hard to make. Nevertheless, many estimates have been made, resulting in an often-heard estimation of around 1.6-1.8 billion Muslims, with a total market value of $634.6 million, which is around 16% of the total global food industry. Further, halal consumers are very much spread out over the globe. This is not only due to the geographical dispersion of the Islam itself, but also largely a consequence of the large amounts of migrants worldwide; of the total amount of 1.6-1.8 billion Muslims (which amounts to a 23% of the worldwide population), one-fifth or 300 million live in countries as a religious minority (Pew Research Center’s Forum on Religion & Public Life, 2009). Despite the large numbers that are presented here, the majority of the market is still in the hands of local butcheries and not accessible for large multinationals. For example, Mekkafoods, a European halal-snacks producer has estimated that around 60-70% of their turnover is derived from their “traditional” division; the others, such as the retail, horeca and private label division generate the remaining 30-40% of the turnover. (Interview René van Appeldoorn, 2010) This is also supported by the KasehDia report on the European halal market: there is reported that the total market share of international trade is “below ten percent of the potential size” (KasehDia, 2009). Moreover, the bulk of the halal products is still the halal meat, while in principle every single consumer product could be halal and interesting for the Muslim consumer; an increasing amount of Muslims already looks into the possibilities of halal finance, halal cosmetics and halal food, rather than just halal meat. Adding these numbers to the meat market, results in a huge potential market that is yet largely unexplored.

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2.4.4. Two Halal Markets: Local “Uncle-and-Aunty” vs. Professional International Markets

A very important factor in describing the market for halal food, is the distinction between the “official” market, and the local, “uncle and aunty” market, mentioned before. These are two separate markets that include different consumers, producers and certifiers. The “official” market includes all the large-scale, exporting companies and certification agencies which have often clear marketing campaigns, official sites and worldwide connections. Major players in Europe are Nestlé, Tesco, Carrefour, Doux and Friesland Coberco Dairy Foods Holding. The “uncle and aunty” market on the other hand is mainly a local phenomenon, in which the local butcher sells halal food to a member of the same social or ethnic group, on the basis of trust. Even though – or probably because of – the local character of this market, its total market share of the halal market seems to be far ahead of the international, organized market as already discussed before.

Consequently, the “uncle-and-aunty” market has still by far the largest market share, although this is likely to change: as the different dimensions of ethnic background, generation (education & trust in “western” organizations), and religious current or personal strictness in Halal change, the choice for a different market will change in a similar way. For example, if a consumer who is very strict in its belief, from the second generation, low education and from a Moroccan background has to choose, we can state with almost 100% certainty that this person will never buy anything from the professional market, but will rely on the personal trust relations being present in the “uncle-and-aunty” market. Conversely, a high-educated, third generation Muslim who is very strict, will possibly buy some food at the grocery stores which they do trust, such as packed meat. However, these are nice, simple cases; how about a third generation person, who is very strict, highly educated and from a Surinamese background? Once again, there is no such thing as “The” Muslim consumer; they differ largely on all dimensions and preferences, which make developments in this market very hard to predict. However, the coming and taking over of the newer generation is very likely to change the outlook of this market. Not many of them will take over the small, local shops of their parents, and if they do it is likely they will professionalize this to conform to the host country’s standards. Moreover, they themselves are more used to the modern way of shopping, no longer being satisfied with small local shops in which they cannot buy all their products at once. So not only supply, but also demand is likely to decline as new generations replace the older generations.

Nevertheless, there is still a long way to go for the multinationals being anxious to enter this almost unexploited market. One of the main factors that might provide them an opening – or at least make it more easily accessible – is a certificate which guarantees the halal status of the product. And indeed, a whole market has emerged in these certificates.
3. The Workings of the Market for Halal Certifications

3.1. Need for Regulation, or at least Certification, of Halal

The expansion of the global and national markets for halal products, the new food technologies, the immigration flows, the multi-culturalization of societies, and the increase in international trade between non-Muslim and Muslim countries, all have increased the risks and uncertainties in transactions for Muslims. These risks and uncertainties have fueled a demand for information and for some guarantee that what is offered by food suppliers pretending to sell halal food is really what it is supposed to be. Concretely, it is a demand for reliable information, guaranteeing that the product is solidly halal.

Thus, next to a growing demand for halal food there is also a growing demand for signs of certainty that the product is what it pretends to be. Such signs can be summarized in and represented by a certificate or halal hallmark. And, as we will describe in the following chapter, next to a market for halal products, also a market for halal certificates has developed in response to this demand; a market, because the demand has been met by more than one supplier. A curious market at that, which brings together quite different worlds, something akin to the uneasy ‘combination of fire and water’, as several interviewees called it (among others interviews with HIC and HAC): commerce and religion, informal trust relations and the formal world of inspection, paperwork and certification, cultural differences as regards food and slaughtering, both between the West and the Muslim world, but also between Muslims from quite different national/ethnic backgrounds and so on.

3.2. The Product

Three different types of ‘products’ try to satisfy this demand for certainty. First of all, it can be a brand name of the producer or seller himself. The brand should stand for the reputation of the supplier. It makes the goods and their supplier identifiable, and hence enables the customer to sanction a supplier if he experiences that the supplier did not sell the quality expected, by henceforth avoiding goods bearing this brand name. Major food retailers like Sainsbury, Carrefour or Albert Heijn do so with their name brands. Some Halal food producers have been trying to build up such a reputation for halal food, notably Mekkafoods in Venlo and Wahid Meat in Rotterdam. Secondly, the guarantee can come from an external third party, a certifier guaranteeing the quality with a certificate or halal hallmark, in the form of a label on the product or a piece of paper with signatures and stamps accompanying a shipment and certifying that it is genuinely halal. Thirdly, there is still the old traditional informal form of a fatwa or religious verdict of a local imam, stating during the Friday afternoon gathering in the mosque that a certain brand is halal, or supports a certain certificate.

Two types of certification exist. The first type certifies the product, that is, its ingredients as well as the processes by which it has been prepared or passed through, from slaughtering to distribution logistics. The second certifies a site, a slaughterhouse, factory, transport or storage building, which have the capacity to produce, process or transport halal products, and whose management has the willingness to reserve it for this. Will this site or person actually carefully control for the halal requirements? Or is he/she/it merely requesting the certificate to be able to access the halal market without really caring for the halal status of the meat?

3.3. The Customers of the Certificates

Buyers of fatwa’s and certificates are the suppliers of halal food who want to provide customers with information from third parties that their products are halal. Most of these customers are not Muslim themselves, and often trade also in haram products. Earlier we made a distinction between local “uncle-and-aunty” shops and professional food producers. The local butchers and shoarma/kebab
shops do not seem to need a certificate, as they rely mostly on personal relations and reputations. It may be that in time they also want to give their shop a bit more of a professional look, with a halal quality certificate on the wall. They may be the customers of the do-it-yourself certificates that one can download for free from the internet. These are then in fact attempts to support the brand of ‘Muhammed’s best kebab’, although they pretend otherwise, namely third party certification.

The customers of more reliable certificates are Western producers that want to export to Muslims countries and need to convince the custom authorities that their products are genuinely halal. Interested parties are also domestic retailers, such as Albert Heijn or the Hema, who in Amsterdam sells halal smoked sausages, halal wine, coffee and halal djellaba’s. Customers may also be suppliers of parts or services, such as construction companies building mosques, producers of slaughtering equipment or of floors for halal slaughter houses, or company restaurants (e.g. from Shell), hospitals or prisons that want to communicate to their employees, patients or inmates that they supply reliable halal food. For them, a halal certificate could open new markets.

Halal certification may be useful, if not necessary, by organizations along the increasingly longer halal supply chains, companies involved in the logistics along the global halal-trade highway: farmers, intermediate buyers, additives producers, transporters using various means of transport, storage facility providers, wholesalers, distributors and eventually retailers. Muslim’s sensitivity towards the halal status of the product requires all the actors along the chain to provide a “proof” of halal status. Simply because the failure of a single actor along the chain in keeping halal products separate from haram ones can destroy the halal value of the whole shipment: a trucker who uses a truck that before transported pork and was not cleaned well enough, an employee eating a ham sandwich for lunch. Reliable certifiers need to be able to guarantee that no such cross-contamination has taken place along the long supply chains, that every single step, ingredient, enzyme and person along this chain is fully controlled for. It seems an almost impossible task, although some certifiers do aim at controlling for all these ‘critical points’. It would require use of the most modern ‘tracking and tracing’ ICT technology, and would go beyond the already high standards HACCP certification.

3.4. The Suppliers: Imams, Producers & Certifying Agencies (and others: do-it-yourself certificates)

The market for halal certificates is – just as the market for halal – largely unorganized. This has not made it easy to describe this market in a simple and transparent manner. We have collected information about the suppliers of certificates, their structure and activities and mutual relations, using a variety of sources. We consulted the media (domestic and foreign newspaper articles, TV programs, relevant internet websites), identified a number of major players in this market and conducted interviews with representatives of certificate providers as well as some of their (organization) customers. Altogether we found the sector quite accessible. There is a substantial amount of information available, albeit scattered and rather fragmented. All those whom we approached for an interview (see for an overview the appendix) were very willing to do so, and took extensive time for us. They intended to be open and transparent - after all they are in the business of increasing transparency - yet of course they did not always speak their mind completely, especially when it came to commercial issues: prices for certificates, how many customers, which customers, market share, turnover, profits, etc. None of them publishes an annual report publicly.

3.4.1. Certificates & Certifiers
The number of halal certificates /certifiers in the Netherlands is mostly estimated, both in the press and by our respondents, to be around 30-40, including individuals, self-certifiers and local Imams who certify some products. The Turkish English language newspaper ‘Sunday’s Zaman’ of Jan. 13, 2010 cited Hüseyin Büyükbözer, chairman of the Food Auditing and Certification Research Association
(GiMDES), the first body to issue halal certificates in Turkey, who noted that ‘his organization has detected some 30 certifiers in the Netherlands and another 13 in Germany which issue “fake halal certificates’”, implying that if one adds the reputable certifiers, the number would be still higher.

This group of thirty to forty can be roughly divided into three groups: the larger, official certifying bodies (HVV, HQC, Halal Correct, HIC and Halal Audit Company, of which the first three are the more established, internationally recognized bodies); the small, often individual certifiers (self-certifiers and imams); and the international certification bodies (IFANCA, JAKIM, IHI Alliance). The official and international organizations are found in both the domestic and export markets. The self-certifiers and imams are mainly operating in the markets of local uncle-and-aunty shops.

a. HVV/HFFIA (Halal Feed and Food Inspection Authority)
The Halal Feed & Food foundation seems to be one of the three larger, well-established certifying agencies in the Dutch halal market, the others being HQC and Halal Correct. It is one of the oldest organizations, having its roots back to the 1960s. Its approach towards halal is simple and strict: “better safe than sorry”. This for religious and ideological reasons - it was the only organization where people refused to shake hands with the opposite gender - but also for commercial reasons. By maintaining the strictest standards its certificate should be valuable for the largest group of Muslims possible, for the whole range from fundamentalist to liberal. Given this orientation, the organization is ‘barely present’ on the domestic market, more on the European one, having among others Nestlé and Campina Food as its customers. Therefore, it can charge a higher price. ‘We are the most expensive one in Europe’, director Abdul Qayyoem proclaimed proudly. From the income generated they can employ a staff of 23 auditors.

<table>
<thead>
<tr>
<th>a.</th>
<th>Name: HVV/HFFIA</th>
<th>Site: <a href="http://www.Halal.nl">www.Halal.nl</a></th>
<th>Chair: Mr. Qayyoem</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Main player</td>
<td>- One of the oldest</td>
<td>- Founded by first generation immigrants, religiously conservative</td>
<td>- founder of Surinamese decent</td>
</tr>
<tr>
<td>- Reputation based on name &amp; strictness</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Very strict</td>
<td>- Considered most expensive</td>
<td>- Number of Employees: 23</td>
<td>- Certifies for large MNOs &amp; exports</td>
</tr>
<tr>
<td>- Main player</td>
<td>- Founded in 1983</td>
<td>- Run by Honorary Consul of Syria in NL</td>
<td>- Very active in international trade; recognized by Muslim countries</td>
</tr>
<tr>
<td>- Reputation may be based on position in international diplomatic network</td>
<td>- Unprofessional website</td>
<td>- Uses volunteers and external laboratories</td>
<td>- Strict (?)</td>
</tr>
<tr>
<td>- Quite professional</td>
<td>- Yet unprofessional website</td>
<td>- Reputedly low priced</td>
<td>- Recognized by the Malaysian JAKIM, and claims also to be backed by Authority of MUI, Indonesian Imam Organization</td>
</tr>
<tr>
<td>- Number of employees: 1+</td>
<td></td>
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<tr>
<td>- Main player, Estimated to be the largest commercial one by competitors</td>
<td>- Founded in 2000, by Tunisian immigrant; active since 1995</td>
<td>- Expensive</td>
<td>- Number of Employees: 6</td>
</tr>
<tr>
<td>- Very strict</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Very professional; in controls, recordkeeping</td>
<td>- Very professional website</td>
<td>- Reputation: professionalism based</td>
<td></td>
</tr>
<tr>
<td>- Accredited by Malaysian JAKIM and Indonesian MUI and Islamic Univ. of Rotterdam</td>
<td></td>
<td></td>
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<tr>
<td>d.</td>
<td>Name: HIC</td>
<td>Site:</td>
<td>- Chair is an imam, related to Wahid Halal Meat Wholesale; founded as</td>
</tr>
<tr>
<td>- For these reasons popular certifier for large supermarket chains (Albert Heijn,</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><a href="http://www.hic-quality.com">www.hic-quality.com</a></td>
<td>C-1000, Super de Boer, Jumbo, Vomar) who do not want to sell not-stunned halal slaughtered meat with eye to non-Muslim customers; and want to keep prices low - Certifies mainly for the domestic market - Claims backed by Cairo’s Al Azhar University</td>
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<td></td>
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<tr>
<td>Chair: mr. M. Ahmed</td>
<td>munim</td>
<td></td>
<td></td>
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<tr>
<td>Founder:</td>
<td>person</td>
<td></td>
<td></td>
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<tr>
<td>mr. W. Ramdjan</td>
<td>transparency, until</td>
<td></td>
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<td></td>
<td>The</td>
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<td>The</td>
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<td>chair:</td>
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<td></td>
<td>m.</td>
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<tr>
<td></td>
<td>e. Name: Foundation National Halal Keur Chair: mr. E. Poyraz</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Owns and guards a Hallmark - Inspections are done by HAC</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>f. Name: HAC Site: <a href="http://www.halalaudit.nl">www.halalaudit.nl</a> Chair: mr. M. Korkmazyurek</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Recently founded by Muslim accountancy graduates of Auditor program of Polytechnics - some from Bosnian-Herzegovina decent -Audits the above Foundation National Halal Keur</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>g. Name: Foundation Halal Certificates Site: <a href="http://www.halalcertificates.com">www.halalcertificates.com</a> Chair: mr. I.A. Farouk</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Market share estimated by mr. I.A. Farouk as 10% - Both Export &amp; Import - Provides information concerning Halal</td>
<td></td>
<td></td>
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<tr>
<td>b. HQC (Halal Quality Control) / COHS (Control Office of Halal Slaughtering) or ‘Halal Office’</td>
<td>Older actor on the market, already involved ever since the 70s. - Least strict: &quot;Dutch Law for Slaughter = Islamic Law for Slaughter&quot;</td>
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<tr>
<td>The second main player on the Dutch halal certification market is HQC, or Halal Quality Control. The person in command of this organization, the honorary consul of Syria in the Netherlands, mr. Abdul Munim Al Chaman, states that HQC is the ‘de facto authority’. This is the internationally known organization, and its name ‘stands for halal’. Foreign ambassadors address HQC for information, and various delegations from Muslim countries visited the company for information exchange and negotiations over halal in the Netherlands. For example, Egypt no longer accepts pre-slaughter bolt stunning and Mr. Al Chaman has been involved in negotiations with these foreign countries over this issue in which he more or less operated as the spokesperson for the Netherlands. Such negotiations have given him a reputation in countries like Egypt, Malaysia and Singapore, a reputation which he has subsequently used to certify halal slaughtering processes. HQC certification allows stunning, which is why Albert Heijn uses HQC to certify its halal chicken meat, produced by InterChicken.</td>
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<tr>
<td>c. TQ HCC (Total Quality Halal Correct Certification) or Halal Correct</td>
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<td>The last of the ‘Big Three’ is Halal Correct, a foundation based in Leyden. This company has a less long history as the former two as it was founded ‘only’ in 2000, but seems to have built quite a reliable reputation. This is both due to the public presence of the chairman of the organization, mr. Ben Ali Salah of Tunisian origin (cf. Siebelink 2007 for a often cited published interview with him), as well as to the relatively professional impression of their organization and its operation. It pretends to ‘screen until we cannot go any further’, i.e. back and forward into the supply chain. It emphasizes transparency, good record keeping, and professionalism as the basis for its reputation, rather than relying on age and experience or support or recognition by some external Muslim authority or by a Muslim country, as competitors like HQC and HVV do. Correct certifies both for the domestic market (about half of their customers) and for exports to foreign markets.</td>
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</table>
d. HIC (Halal International Control)
Halal International Control is a smaller player on the market, yet important. It was originally founded as a certifying agency for the products of Wahid Meat. Presently, HIC has become officially separated from Wahid Meat to reduce conflicts of interest, although Wahid Ramdjan, the director of Wahid meat and founder of HIC, remains the spokesperson of the company. Formally, the current HIC director is an imam from Egyptian origin, who works a couple of hours a week for the company. Given that the real owner earns his living primarily as a meat producer and trader, with certification being merely a side-business, he can keep the prices for his certificates low. Whereas others ask rather high prices per kilogram meat certified, HIC maintains that it only ask for a member-fee, which amounts to about 1500 Euros a year. In order to save on costs, the company works primarily with a network of so-called ‘volunteers’, Muslims that already work in the slaughterhouses, do the ritual slaughtering there, and certify that they did so for HIC. In return they get some extra pocket money from HIC. Thus the level of professionalism is lower than in other companies, as is also the level of independence of the certifiers from those to be certified. This holds both at the company level - the link between HIC and Wahid Meat - as on the individual level where slaughters are their own certifiers. The owner legitimizes this with the argument that ‘Muslims should not pay more than necessary for halal’, as expensive certification increase the cost price for halal consumers. And these customers are low income Muslims on the domestic market. Typically, HIC seems to work more for that market than for large scale exports.

f. HAC (Halal Audit Company)
The last of the five larger certification bodies in the Netherlands is the Halal Audit Company, or HAC. This company was formed only in 2003 by two Muslim students, graduating in Audit at the Rotterdam Polytechnic. One of these graduates, mr. Murat Korkmazurek stated to be concerned about the uncertainty over the quality of meat sold as halal due to the lack of transparency that they perceived to be in the Dutch halal market. Paradoxically, by creating yet another certifier they seemed to merely add to this intransparency. Such was however not their original intention. Being trained in accountancy and auditing and being, as second or third generation immigrants to the Netherlands, rather well integrated in and familiar with Western culture, organizations, and operations, they aim for a more professional set-up, following Western logistics and auditing techniques. In addition they organize trainings for in-company quality controls. Only one of their customers is non-Dutch, and about 60% is involved in exporting halal products. It has no link to the informal ‘aunty-and-uncle’ market and tries to base a reputation on similar grounds as Halal Correct; transparency, a modern approach, and professionalism. It has quite a professional website as visiting card.

g. Foundation Halal Certificates (Stichting Halal Certificaten)
The foundation for halal certificates is supposed to be an ‘impartial organization’ and aims at giving halal and non-halal consumers solid, unbiased information about everything that has to do with halal. In addition to this, it also provides certificates. Founder and leader is mr. I.A. Farouk, and got involved in the business in the 1970s, when he was working as a translator and the Dutch government and the embassy of Saudi Arabia got into problems over halal trade. He maintains to be involved in the removal of a blacklisting of the Netherlands by Saudi Arabia in 1979. When he left Holland in 1981, the certification business was quite organized, but when he returned two years later, “it was war”. The foundation takes the most liberal ‘western’ approach of all: “If you translate Dutch slaughtering laws literally, they are completely in accordance with the Sha’ria. The only difference is that Muslims also call the name of God during slaughter.” According to mr. Farouk, this is not really necessary, as first of all, most employees of slaughterhouses are Muslims, secondly, if they are not Muslims they are Christians, and lastly, if you mention the name of Allah before eating, that is fine too. He maintains to hold around 10% of the certification market, and the companies that are certified by them are “not the smallest”. He is opposed to others charging too high a price for certification. “Eventually the Muslim consumer pays the price, as all costs get passed on to him. So if I make sure that the costs are kept
low, halal meat remains at a normal price”. I.e. he is in the market segment of lower price, lower quality certificates.

**h. Self-certifiers**

Besides the five larger certification agencies there are quite a few other certifying bodies, among them self-certifiers. These are businesses who produce or buy food, and design a label for themselves which indicates the food being halal. Though the products have ‘certificates’, in reality they are more ‘brand’ labels of the producer himself, rather than third party certificates. The brand reputation tends to be largely based on the reputation of the person behind the product or an established company. A larger and more professional organization engaged in self-certification is the snacks producer Mekkafoods in Venlo, which halal snacks such as hamburgers, sausages, croquettes, and pizza’s, to be sold mostly in small, local supermarkets and toko’s, where it has a acquired a market share for such products of 60-70%. Mekkafoods has been established as a reputable brand, without the explicit use of any halal certificate. The company has certificates or supports from several Imams and Islamic agencies, who have visited the factory to check the halal status of the food.

**i. Informal certifiers**

Then there are the informal certifiers, mostly imams who certify – usually local – products on the basis of personal relations to the producers and sellers. The imam may either sign a certificate that a local butcher hangs in his shop, or orally declare that a certain product (often connected to a person) is halal. Most certifiers rejected these practices for two reasons: first, for lack of objectivity as personal sympathies or obligations may prevail over truth. Secondly, because the definition of imam is too broad in the Netherlands. Critics maintained that many of the so-called ‘imams’ lacked sufficient knowledge of halal, or even of the Islam: “98% of the Imams (...) have not studied the Qur’an (...) They became somehow an imam here, because they were famous in their village”, as one of the respondents put it (Farouk, February 10th, 2010). Certifier Ben Ali Salah of Halal Correct referred to the case of an imam who certified a sick cow as ‘halal’. He had come across several of such practices and considered these ‘below standards”: “I don’t even think that this would be allowed according to human standards, let alone halal standards”.

**j. Do-it-yourself certificates**

The next category of ‘certifiers’, or rather another form of self-certifying, is provided by the do-it-yourself certificates. These are not uncommon in this market: putting up a certificate designed oneself in order to convince the customer that you and your products are halal. Talking of external certificate-suppliers, there exists a website online where everyone can obtain their own certificate, and in which one can add one’s own particulars. Obviously, such a certificate certifies not very much, but as long as customers are impressed it may serve a function - at least for the seller. If it would be indeed used, it would be indicative for the state the market for certificates is in: intransparency, complexity, anarchy, corruption.

### 3.4.2. Differences & Similarities

Now the largest certifying bodies have been identified, some differences and similarities can be discussed. In order to differentiate their approaches towards the halal concept, the same categorization as introduced before is used, which is on the basis of generation, ethnic background, religious current/strictness and educational level.

In general, younger generations are more focused on transparency and less on informal trust relationships, whilst the older generations are more operating on the basis of their informal network

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13 All these dimensions are discussed in a largely implicit way, as it impossible to give clear-cut definitions or categorizations of the agencies in each of these dimensions: in too many ways they are interconnected and overlapping, causing a categorization too blurry to use. Nevertheless, this theoretical categorization is very useful in the sense that it provides a means that it makes it easier to grasp the nature and issues involved in the market.
and their statement that they are Muslim and thus know what is halal and what not. The ethnic background determines to some extent the approach: agencies where the origins of the founders lie in former colonies of western countries such as Surinam or Egypt seem to be more used to the western approach of relying largely on science, accountability and transparency. Agencies who have their roots in Muslim countries or countries which are less influenced by “the western” mentality seem to be operating according to the values and norms used in their country of origin. Agencies which are stricter in the interpretation of their religion and in the translation of the prescriptions of the Qur’an into practical rules are generally more inclined to apply the strictest rules possible, although the fatwa of a mufti that is regarded an authority by them will prevail. Generally, none of the certification agencies seemed to adhere to a specific school of Islam. Lastly, the educational level seems not to have a large influence on the way certification agencies work, but has more influence on how consumers perceive halal certificates and products from western origin.

So the similarities are not very hard to find: all agree that halal should not be abused, that it is a service to the Muslim consumer and that the Ummah should be supported through these activities. In general they also seem to agree on the main halal standards, and accept the norms the other certifiers use, although there is criticism on issues as price and frequency and quality of the audits. Further, all agree that there does not exist “99%” halal; something is halal or not halal, nothing more, nothing less. Consequently, all agree that the term 100% halal is not very applicable, although most do refer to it multiple times. Notably, this mostly refers to the issues of price and reliability of the audits, rather than the notion of the product being partly halal or not. The differences in the acceptance of certain halal standards are largely seen as the absence of due knowledge, most seem to agree that the cultural and ethnic differences have some influence too. Often is referred to the fact that certain schools of Sunni Islam do not accept some types of sea food, whereas others do. This is a general accepted difference, and can also be translated into some differences in opinion in the Netherlands.

This leads to the differences between the certifiers: what are their main differences and what are the causes? The first seems to be the approval of stunning; some argue that stunning should always be reversible, whereas others stress the importance of the most animal friendly way of slaughter. Conversely, some reckon that the main issue is that the animal should not be dead at the time of slaughter, and all other requirements are not important. The certifiers from the first and second generation are mainly focused on fulfilling the halal requirements, so that the animal should not be dead before slaughter, whereas the younger generations stress on top of this the importance of animal friendly slaughter methods. Certifying agencies who are stricter in their religious approach, do not accept stunning methods that are not reversible or cause permanent damage to the animal.

The next large difference is based on the strictness of auditing; how often, how strict and how far in the production chain should the audit be? For example at the slaughter site, how many Muslims need to work there in order to make the production process halal? The average seems to be around 2 or 3, although numbers between zero and twenty were mentioned too. For the agencies which have a more modern approach towards halal, a production process and ingredients which ensures the halal status of meat is sufficient to label it halal; checking once or twice a year or as the production process changes is regarded sufficient. However, for the companies based on more informal regulation require Muslim employees to work at the production site or auditors checking the site regularly. Night shifts to check a site when it switches the process from haram to halal slaughtering are apparently not uncommon, although this results in much higher costs as compared to checking the process sometimes and relying on the rules as prescribed in the production regulations.

Another issue of strictness in the auditing is the question of how far in the production chain the auditor should check before declaring a product halal; should the acceptance of basic ingredients be enough, or have each of these ingredients be checked time until it cannot any further? Again, this seems to be an examination of the costs and benefits involved; does the very small risk of allowing for a haram or makruh ingredient in a product outweigh the costs of tracking the origins of this ingredient, therewith increasing the costs substantially and thus increasing the price for the Muslim consumer? Is such a small risk worth the costs? This is up to the Muslim consumer and certifying agencies to answer, but so far the key actors seem not to have agreed on this issue yet.
3.5. Consequences of Marketization: Market Failures

3.5.1. The Importance of Credibility and Reputation; Individually and Collectively
The market for halal certificates seems to ‘work’. Or does it? There is a demand, there is supply, there are prices, transactions, turnover, and growth. But does it work well? Are there perhaps ‘market failures’? The real value that is being traded in the market for certificates is their reputation, the trust that buyers have in it as a guarantee that what they expect to buy is what they really buy. Trust and reputation are non-tangible goods. You cannot eat them, live in them, even investing in them is difficult, at the very least quite risky. As a certificate customer you buy it, because relevant others believe it, so you hope. As long as these others take it serious and believe what it stands for, it keeps its value, following the Thomas theorem: ‘If men believe something to be real, it is real in its consequences’. The challenge for certificate producers is to build and to maintain such a reputation of trustworthiness, something akin to the development of a brand name reputation. Building such a reputation takes time, but, as the familiar saying goes, ‘trust comes on foot, but leaves on horseback’. Trust in a hallmark can be suddenly gone. All it may take is a well-publicized scandal - intentional fraud or even merely a mistake - and the certificate is in crisis. Facts about scandals are not even necessary, rumors already do. And the speed by which information travels in our TV and ICT-age only amplifies that risk: rumors spread now instantaneously. With the result, that trust does no longer leave on horseback, but literally with the speed of light.

Time and again scandals have brought that message home. In more recent times the BSE scandal ruined the reputation of ‘meat made in Britain’, the recent financial crisis dealt a blow to the reputation of financial rating agencies such as Standard and Poor’s and Moody’s, and more in general to the reputation of the banking sector as a whole and the regulators of financial markets, and repeatedly stock values have collapsed after bookkeeping frauds became known, varying from Ahold to Banco Ambrosiano to Bernard Madoff Securities (see for a nice collection: http://projects.exeter.ac.uk/RDavies/arian/scandals/classic.html). While most of these examples still concerned trust in goods that still had a tangible value, such as beef or stores, stocks, and skills, tools, technology, rights and reality, such is not the case with the producers of quality certificates.

3.5.2. Easy Market Entry and Exit
In our market, that for halal certificates, the conditions for building strong and broadly known reputations are so far not very favorable. First of all, market entry is in principle relatively easy. Not many investments have to be made to merely enter the market. All one needs is a printer to print impressive looking certificates, some customers who are willing to use them on of with their products, and some people who do - or who pretend to - hold inspections. The costs are generally low, or rather, there are certificate suppliers in the market who keep the costs low, and get away with it. Possibilities for acquiring external accreditation are rare, so do not require an effort. For similar reasons, market exit would be just as easy, as not much capital is destroyed. The ease of market entry has led to quite a few market entrants. Estimates range as said from 30 to 40, with 5-6 main players. They have come from a variety of backgrounds: local butchers, wholesalers (HIC), consuls involved in international trade (HQC), students graduating from auditing programs at polytechnics (Halal Audit), or associations of Muslims (HVV).

3.5.3. Intransparency
The relatively large number of certifiers for such a small country makes for intransparency of the market, certainly for the final domestic consumers, but also for the direct customers of the certifiers, the local shops catering to Muslims, the supermarket chains, and the exporters of meat and other food products, among them large multinational companies. The problems are exacerbated by the fact that the information problems, already present in the market for halal products, repeat themselves here in this market for certificates of halal quality, in particular also the problems of control posed by the importance of process standards for halal products.
Add to this the differences of opinion among Muslim consumers, producers, traders, and religious authorities about what halal is or should be, whether ‘100% halal’ is a possible or sensible claim and so on and it becomes clear that the market is in crisis. The certifiers complain themselves about this: ‘There is a lack of transparency between the certifiers. That is because many do not know the halal rules and neither do they know Dutch society very well.’ (HAC) These intransparencies and differences of opinion form a fruitful breeding ground for dabblers. Even those certifiers that are originally of good intent, may be forced by price competition in the market to partake in a race-to-the-bottom regarding price and consequently also quality of control.

### 3.5.4. Price Competition and a Race-to-the-Bottom?

There seems to be indeed price competition, albeit within three different segments of the market, which each cater to different customers, willing to pay different price levels:

1. The very low price, low costs, and low quality segment: the local butcher or grocery shop who does not mind to get some confirmation by the local imam during the Friday prayer in the local mosque that he, Mohammed, is reliable and sells ‘100% halal’ meat. Basis of trust, and certification of that trust, is here primarily personal relations and acquaintance, not thorough professional inspection. The butcher may take the imam once with him to the slaughterhouse, to see how things are done there. The imams do this, not for a living, but merely to have some side income, either for themselves or for the mosque organization. This butcher could be also a customer for a nice halal certificate that can be acquired more or less for free from the internet, something to merely embellish his butcher-shop.

2. Then there is another low price - low cost market segment, but now one that cannot (any longer) be based on personal relations: the more anonymous mass market of second and third generation Muslim immigrants in Europe, culturally diverse, who increasingly shop in the large Western food retailers and department stores, like Albert Heijn, Carrefour, or Sainsbury. This market is also served by large multinational food producers, such as Nestlé or Unilever. These producers and sellers need a halal certificate based on some scientific quality evidence derived from systematic inspections, provided by organizations that work a bit similar to their own organization of value chain logistics and internal quality control. They want some minimal evidence of quality inspections, but it should not be too costly as they compete very much on prices with other retail chains, and are large and powerful enough to demand significant price concessions. This market segment is served by certifiers such as HIC, who certifies meat for Albert Heijn, and HQC, who does the same for the poultry supplier of AH.

3. Thirdly, there is the large export market to Muslim countries, where quality of inspection is much more important and where exporters are willing to pay higher prices for a more reliable certificate. These certifiers may even be visited by delegations of the importing countries directly. This market segment seems to be served by more professional certifiers such as HVV, Halal Correct, or Halal Audit.

Within each of these market segments there seems to be price competition, resulting in some form of a ‘race-to-the-bottom’, with the acceptable bottom being at different levels in each segment. Respondents estimated that certification costs may range between several hundred and 50.000 Euros a year, depending on the market segment. Cheapest are of course the self-certifying websites (practically free), then the local imams, who may certify for a few hundred Euros for their mosque. Most expensive are, according to their competitors, HVV/HFFIA and Halal Correct. Mr. Al Chaman from HQC about HVV/HFFIA: ‘I am co-founder of HVV, but left over a conflict over prices. The director, Abdul Qayyoom, wanted 8 cents per kilogram meat certified, and with all expenses, such as travel costs, that came to 15 cents per kilo. That makes the product too expensive for the customer. It is blood money. Same with Ali Ben Salah from Correct. If a new customer approaches them, they charge already 15.000 Euros to start with. Two years down the line it has become 30.000 and then they demand 7 or 7% of the invoice value charged to customers.’ HVV/HFFIA admits that it is expensive, and that it has lost almost 50% of its customers to the competitors, but ‘the customers are coming back. We may be more expensive, but also much better. And as the market gets more professional, that starts to count.’ And Correct: ‘We may be more expensive than HCQ and HIC, but they do nothing. We like to compare ourselves with the large certifiers in the world.’
From among the major certifiers, HIC seems to be the cheapest. It can keep his certification prices low, not only because the owner, Mr. Wahid Ramdjjan, seems to derive his income primarily from his wholesale activities, but also because Wahid has organized his inspections in such a way that they are low-cost. Thus, typically, HIC employs hardly any inspectors, but rather relies on ‘volunteers’, i.e. Muslims who are already employed by the slaughterhouse. HQC concurs ‘We work with many volunteers, Muslims that work already anyway in the slaughterhouses. Therefore we can be cheap. Why to have one’s cake and eat it?’ But the expensive competitors are critical. HVV: ‘80 percent of what HQC certifies is no halal. Their certificate is worth just 0.’ And Halal Correct: ‘I do not buy myself at Albert Heijn. I do not trust it for halal, because HIC certifies it. Albert Heijn gets its halal chicken from Interchicken, a large poulterer. That obtains part of its chicken from a slaughterhouse certified by HIC, but it also buys from others, where there may be no Muslims and no controls.’

Mekkafoods, as ‘western’ producer of halal products a relative outsider: ‘All certifiers in the Netherlands are profiteers, and make easy money. They come once to your factory, write a certificate and come never again. As a result there is no certificate that is accepted by everyone’. Therefore, he has chosen to market his products with his brand name as quality proof, rather than a certificate from an external certifier. ‘Independence of the certifier and strict control should give such certificates value, but there is neither independence nor real control.’ Mekkafoods itself claims not to need any inspection by others, ‘We only produce halal products, so they cannot get contaminated by others. But our suppliers of meat do have certificates.’

The large retailers in the 2nd segment are not only price conscious, but have also substantial market power to demand lower prices. If retail chains manage to extract that from major food producers like Unilever, how much more will they be able to do so from small halal certifiers? Not for nothing have supermarket chains chosen for HIC certificates, for one, because HIC allows slaughtering of stunned animals, but probably also because of its low prices. Large corporations, whether supermarket chains, food producing multinationals like Nestlé, or large meat exporters may be able to force prices down, thanks to the size of their orders. However, the costs of certification may be only minor compared to other costs. Yet, as they are often engaged in price wars for consumers, even such minor costs could make a difference in the competitive struggle.

Nevertheless, the importance of quality of certification should not be underrated. Large companies, visible to the general public, care a lot for their reputation. Lesser quality of controls may involve risks to that reputation. It might be worth to engage a more reliable certifier, even at the expense of higher costs. The costs of loss of reputation, due to a scandal may by far outweigh the minor costs of certification. Reputations take a long time to build and may be lost very quickly following a scandal, as the recent case of manufacturing mistakes of Toyota has brought home again. Even in the absence of a well-publicized scandal there can be immediate losses. As mentioned before, our interviewees referred to multiple cases where meat exporters lost complete shipments, when customs officials of Muslim countries detected traces of haram.

3.5.5. Market Failure?
The price competition, combined with the information asymmetries in the market as to the value of the certificates, and the presence of both malicious dabbler as well as well-meaning, socially concerned Muslims who feel ‘that fellow Muslims should not be forced to pay too much for their meat and other products’ could produce ‘race-to-the-bottom’ as regards the quality and reputation of halal certificates in general. A few bad apples are enough to infest the whole basket and make it smell.

This has all the elements of a typical collective action problem, familiar from other cases, varying from cartels to strikes. Everyone profits from good reputation of certification - just like anyone profits from the higher prices produced by the cartel or the higher wages produced by a strike. Yet for the individual there is a temptation to free ride: offering the goods at a price just below the price agreed in the cartel allows the individual supplier to increase his market share; and by not actively participating in the strike, an individual worker may be able to keep in good standing with his employer, to be rewarded in the future by a promotion or other individual pay raise. Similarly here, the halal certifiers have a collective interest in establishing trust in the market in the value of their
certificates; but by lowering their own price a bit, at the cost of less expensive inspections, they may attract more customers for their label and thus increase their market share. The diversity of halal certificate suppliers and the Intransparency of this market - no one seems to publish publicly available annual reports - allow for that. The overall result is a bad reputation of the certification sector.

The problem is exacerbated by outright illegal copying and other fraud. Certificates from reliable certifiers are illegally copied. The meat wholesaler Fasen Meat Trading in Breda was in 2009 accused of selling several thousand tons of meat in France improperly sold as halal with falsified documents (Volkskrant November 26, 2009). In the same year, the certifier HQC claimed that Kentucky Fried Chicken (KFC) misled Muslim customers, by selling meat as halal with a document that only proved that a certain slaughterhouse could produce halal meat, not that this batch was slaughtered indeed so. Inquiries by the Volkskrant proved him right. Certificates which are downloadable for free from the internet, and which may be used by local butchers, do not help the reputation of halal certificates. The average final consumer has difficulty distinguishing the good from the bad.

Distrust has indeed been spreading. Various Dutch TV programs and newspaper articles already referred to before have indicated such distrust, and reasons for it. Hüseyin Büyükozer, chairman of the earlier mentioned Turkish Food Auditing and Certification Research Association (GİMDES): “From our meetings with consumers in different European countries, we have found that people are complaining about unauthorized certifiers. Some unauthorized certifiers are issuing halal certificates without even seeing the face of the owner of the production facility. This is not how it should be. Having experienced similar misuses in the past, most Muslim consumers do not trust the halal labels on products and expect to see order in the market. This also causes unfair competition and discourages other certifier institutions who exert extra effort to ensure halal standards. The opportunism has reached worrisome levels and should be stopped,” he said. Another major problem, he emphasized, is that some certifiers sell certificates for excessive prices. There are companies who must procure their halal certificates for 5,000 to 10,000 euros. This is high and way above normal costs.” (Hava in ‘Sunday’s Zaman’ of Jan. 13, 2010)

Participants in the interviews we conducted described the market as being “anarchy”; “craziness”, and “fighting and fierce competition prevail”. “It is a real us-knows- us culture, this world of the many little certification businesses. If you are not in one of their acquaintance circles, you’d better not start with I”, “You can get a certificate without any problems, if it is an acquaintance”. Many also pointed out to what they considered “objectionable practices”, such as “issuing halal certificates without even checking whether it is actually halal”; nepotism; ‘butchers that certify their own meat’ (referring to Wahid Meat and HIC); exorbitant prices; far too lenient or unprofessional certifiers. “The Dutch halal market is chaos”, was the headline of an extensive article by a Dutch newsmagazine (Vrij Nederland, “Herrie om Halal”, 1-12-2007:1).

The confusion over different certificates is not only a problem domestically, but also on the international market. Marco Tieman, owner and director of LBB Logistics, daughter of MDS Logistics, who are building the global ‘Halal SuperHighway’ and in Malaysia a huge Global Halal Hub, complained: ‘Companies that want to participate in this attractive market need halal-certification. And that is precisely where the problem lays. Every country has its own interpretation of what halal is, which is why there are different halal-hallmarks’. He adds: ‘However, the Malaysian halal hallmark has a much broader acceptance in different Muslim countries than other hallmarks; which is why many large industries that try to increase their market position in the Middle East and Asia choose to do their halal production in Asia’ (Westra 2007: 37). He implies that if the Netherlands or other European countries want to compete in the growing global halal market, they will have to solve the problem of certification confusion. The Netherlands has made a good head start with developing Rotterdam as the ‘halal gateway to Europe’. However, for the time being the distribution centers are still largely empty. And one of the problems is that of trustworthy certification.

The confusion around and the distrust of halal certificates indicates that this market is in danger of ‘failing’. As distrust spreads and reputations decline, the value of the certificates disappears and so will the willingness of customers to pay a price for such certificates.
4. The Search for Solutions

Problems in the one market - for halal products - such as adulteration and fraud, made possible by information asymmetries, have produced the need for another product, for which subsequently a new market has been formed: the market for halal quality certificates. However, that derived market seems to experience the very same problems: information asymmetries, intransparency, amateurism, lack of economies of scale, and price competition, giving again rise to certificate adulteration, product laundering, fraud and loss of reputation and credibility. After market failures in the markets for halal products we see similar market failures in the market for halal quality certificates that are intended to provide a solution in the original market for halal products. Are there any solutions to these problems of this certification solution to the problem of fraud and distrust in the market for halal products?

4.1. Individual Strategies and Self-Organization by the Market

Of course individual certificate providers could and perhaps do develop strategies to increase their own professionalism, transparency, and reputation and indirectly with that of the whole halal certification industry. They could also engage in active publicity campaigns and advertising, spreading the word about their reliability, among the general public, and with their prospective customers.

By doing so they could help the market mechanism to organize that market itself. Competition could bring order, by selecting and giving the upper hand to the more reliable certifiers and weeding out the less serious ones and the outright dabbler, thus developing a hierarchy among the certifiers. That has happened to some extent in the market for certifiers/raters of financial products. Although there have been 92 rating agencies of financial products counted (Engelen 2010), three of them have managed to get the upper hand in that market: Standard and Poor’s, Moody’s, ad Fitch. Such has not yet happened in the world of halal certification. Weeding out the good from the bad and the ugly remains difficult if not impossible in markets plagued by information asymmetries. Customers will select on price if they cannot select well on the basis of quality, thus stimulating price competition at the detriment of quality, fueling a possible race-to-the-bottom.

4.2. Self-Organization and Self-Regulation through Associations?

What about the option of collective self-organization and self-regulation of the sector? This has been a long-time tried and trusted model of market ordering in the Dutch economy, part of what we have come to call our ‘polder model’. For centuries, Dutch civil society formed bottom-up associations and foundations that have tried and succeeded in regulating that society. In the market place these varied from the merchant and artisan guilds of the Middle Ages until the trade associations and cartels of the 20th century (Van Waarden 1992, 1995). What about a cartelization of halal certification?

Some Dutch Muslims have recently tried. The Rotterdam initiators for Halal Audit HAC started with the aim to bring all certifiers around the table to form an association, before they decided to create their own certification agency. A similar ambition had apparently mr. Farouk in Amsterdam. However, they had no success. Not only did these newcomers to the halal certification market lack the authority and standing to do so; there may have also been a culture problem involved. Centuries of Dutch history have produced cultural values emphasizing collective cooperation, supported by a variety of institutions. This may not have as yet permeated to the ‘New Dutch’, whose family histories stem from rather different cultures.

Curiously enough, initiatives for such collective self-organization are coming now from abroad, from precisely one of those foreign cultures where Dutch Muslim immigrants have their family roots. The Turkish ‘Sunday’s Zaman’ published recently (13-01-2010) an article under the heading ‘New
organization to sort out rotten apples in European halal food market', in which it wrote: ‘A projected umbrella organization to be dubbed the European Association of Halal Certifiers is expected to bring order and unity to the halal food sector in Europe, appealing to hundreds of thousands of consumers, yet operating without any halal supervision mechanism. A number of certifiers of halal food from Germany, France, the UK, Belgium, Austria, Denmark, Spain, Bosnia and Herzegovina and Turkey decided last week to lay the foundation for a single association to set the market in order and curb unfair competition. The establishment of the association will be officially announced in a signing ceremony in Belgium on Feb. 24, 2010 with the participation of all parties involved.’ So far, this is merely a promise for the future. It may seem reasonable to organize a sector in this day and age of globalization at a supranational level. Yet it remains to be seen whether such an international organization will not be too diverse to allow it to come to effective forms of self-regulation.

4.3. Seeking Support from ‘Higher Authorities’

A third means for bringing order in the chaotic market for halal certificates may be backing from some authority widely respected in this world as well as among the final consumers - Muslims - and therefore also the direct customers of the certifiers, the (western) producers and sellers of halal products. Dutch public authorities have done so frequently in the past with for example sectoral trade associations and trade unions. Such backing has as yet not come for the sector of halal certification. However, many Dutch halal certifiers have sought recognition and support from an authority in the international Muslim world. Could the latter offer a solution to the problems of fragmentation, intransparency, fraud, and lack of credibility? Could it help standardizing halal certification standards and control procedures?

4.3.1. The Main Actors in the International Halal Market

As discussed before, the international Muslim world is fragmented, dispersed over the globe and lacks central authority. There are many different organizations in different places active, and they differ in belief, opinion, and operations. Organizations are often linked to national governments, who may support or even steer these organizations for both political/religious and for commercial-professional reasons, expecting legitimacy from these sources - religious authorities and economic prosperity - in return. Key countries are Saudi-Arabia and Egypt which harbor the most important religious authorities, and where Islamic law and jurisprudence is developed, including as regards halal and haram. They exercise a religious authority. Organizations as the Al-Azhar university and the council of Jiddah hold key positions in deciding what is halal or not. How to implement these rules in real life is yet a different matter. This leads us to the countries with a professional authority, such as Malaysia and Indonisia, as they set professional standards of how to organize halal. They are “the only countries that have a formal program to approve a halal-certifying program” (Riaz & Chaudry, 2001:172) and are frontrunners in regulating halal on a national level. In addition, major exporters indirectly play also a role in setting global standards, even though they are usually non-Muslim countries. Countries like Australia, Brasilia and New-Zealand are not only models for Muslim countries when it comes to slaughtering and logistics technology; they have also well developed professional certification bodies linked to those logistics.

As countries and companies are competing for a share or even a key role in the global halal market, they also aim at the key to the halal status of products, halal certification. So far, Malaysia seems to make good headway, thanks to its professional approach. However, it remains to be seen whether it can really assume a leading role, as any central position for Islamic matters has traditionally been held by Saudi-Arabia and Egypt. As one of our respondents remarked: “Whether Malaysia likes it or not, in the end Muslims will listen to Saudi Arabia”. Other certifiers reckoned that a worldwide authority is more likely to emerge from the younger generation Muslims in Europe rather than in Asian or Middle-East countries, as they have both a thorough understanding of the European and American modern society and business and of the halal norms and their incorporation into local businesses.
4.3.2. Seeking Support

There are thus quite a few international organizations, varying from very old and well established ones like the Al Azhar University in Cairo to the very young and embryonic European Association of Halal Certifiers to list two extremes. Dutch certifiers have sought and found support from some of these international or foreign halal authorities. The Halal Industry Development Corporation of Malaysia has by now recognized 47 certification bodies in 23 countries for exports to the Malaysia.

Their list illustrates the fragmentation of the Dutch market for halal certification. The small Netherlands is listed with 3 recognized certifiers, whereas major meat/food exporting and/or larger countries like Argentina, Brazil, Belgium, Denmark, India, Pakistan, Thailand, Indonesia, and Japan have only 1 recognized certifier, and the US, China, France, Germany only 2.

The oldest Dutch organization HVV/HFFIA seems to have the broadest recognition abroad. It is certified by the two major foreign Muslim accreditation bodies, the Malaysian JAKIM and the Indonesian Assessment Institute for Foods, Drugs, and Cosmetics MUI.

HFFIA is the only one also listed on several other smaller international websites and is one of the leading initiators of the new European AHC. The MUI and JAKIM have also accredited Halal Correct, which has gotten also approval from the Islamic Board for Fatwa and Research of the Islamic University in Rotterdam. HQC is also recognized by the MUI and claims to be also accredited by JAKIM (although we could not confirm this from the website of JAKIM). But HQC seems to have in general good diplomatic relations with Muslim countries, as delegations of them have visited the honorary consul of Syria who is the figurehead of HQC, among others to discuss the acceptance of different stunning methods. HQC claims proudly that it is backed by the Al Azhar University. The younger certifier Halal Audit HAC says to be in contact with all of these organizations, but there is no formal approval yet. Farouk’s Foundation is by neither accredited.

4.3.3. A ‘Reverse California Effect’?

Malaysia’s accreditation seems to become a bit of a global standard. It is imposed and enforced by making certification by a recognized certifier a condition for access to the country and hence also for access to the developing global halal hub there, assuming that really comes to something. In a way this is a kind of ‘California effect’, a concept developed by David Vogel (1995). The essence of this principle is that a large market (like California or now Malaysia, and as its standard acquires broader recognition, more of the Muslim world) can impose standards on imports, thereby de facto forcing its regulations onto producers and traders abroad, a kind of ‘governing across borders’. Part of the ‘California effect’ is subsequently that the producers abroad, which have managed to conform to the standards of ‘California’, have acquired an interest to lobby their own government for adoption of these standards, as it gives them a competitive advantage over their local competitors. Vogel’s case of California suggests imposition of regulation from the West to the East. A ‘Malaysia Effect’ would be similar, but now from the East to the West. One might call it a ‘reverse California effect’.

In this way it could be that the Malaysian standards are gradually become recognized globally. But elevating these standards to global importance would mean also that Malaysia would acquire a competitive advantage as production location for halal products. As Tieman argues, this could go at a loss to the Dutch economy: disappearance of potential suppliers/exporters to Muslim countries to produce in these very countries.

4.4. State Aid?

Some regulation by the Dutch state might be needed to bring order in the market for halal certification, in order to facilitate transactions and to encourage exports and growth in the market for halal products. Also due to effects of international certification which are as yet unsure, given the fragmented structure of authority in the global Muslim world. The credibility problems are in the here

14 http://www.hdgglobal.com/portal/indices/index_158.html
and now and call for a solution soon. Mr. Ali Eddaoudi, the main Muslim chaplain of the Dutch Armed Forces, and as such not only responsible for spiritual advice to soldiers but also for organizational advice to an organization that has to feed Muslims, is all in favor of the development of a national halal certificate in the Netherlands. Such a standard should in his vision be accredited both by leading international religious and professional Muslim authorities (‘If you have both Saudi Arabia and Malaysia you’re in.’) as well as by the Dutch government. Most of the other interviewees agreed, with the exception of HVV/HFFIA which objected to the government playing a key role in this, or any other overarching organization, as they regarded themselves already as the supreme Dutch halal authority. But thinking that of oneself is not sufficient. It is rather the others who have to bestow such authority on you.

4.4.1. The Public Interest. For which different ‘Publics’?
Should there be such a public national halal standard? There are enough public interests at stake here. In the first place of course for the specialized public of ‘Muslim consumers’ and ‘Muslim traders and other businesses. But there are also interests of the whole Dutch public involved: honesty in trade, general safety and security of products, combating fraud, and last but not least export interests: the reputation of Dutch products in international Muslim markets with their fast growing purchasing power. After all, the Dutch have quite a history in trading with ‘the East’. History could repeat itself. Just as the requirements for ‘certificates of origin’ of the belligerent countries during the first World War imposed on imports from the Netherlands forced the country to replace a variety of private quality labels in the Dutch dairy industry by publicly sanctioned State Butter and Cheese Certificates (‘Rijksbotermerken’ and ‘Rijkskaasmerken’), import barriers in Muslim countries could force the Netherlands to create publicly sanctioned halal certificates.

Product quality certificates are clearly a ‘public good’ as defined in economics: they are non-rival and non-excludable. These characteristics they share with all publicly available information. The information the labels provide are accessible/readable by all. And they may be useful to all (even for those with anti-Muslim feelings and animal activists; for them it may be a sign not to buy this good); albeit that some consumers may attach more importance to it than others. However, that holds for many more public goods that are usually paid out of tax income. Free streets, squares and parks are available to all, but usually enjoyed by the citizens living in the neighborhood. Sanitary inspection of meat, as by the Dutch Food Inspection, is for all, but only non-vegetarians profit from it.

Yet, though public goods, they apparently can be privately financed. Some are willing to pay a price for them. However, these are not those for whom the certificates are intended, the consumers. The certificates are paid for by the producers and sellers. And that is exactly part of the problem, the moral hazard problem that this way of funding introduces, the temptation to be flexible with enforcement, and to aid in ‘halal’ product laundering.

4.4.2. The Possibilities of Private Law
Of course the state does in principle already provide support for economic transactions through private law, Commercial law, contract law, tort law provide institutional frameworks for private commercial transactions and protect transaction partners from the dangers of fraud and deception and these concern of course also transactions over halal products. Under the Dutch Civil Code, Book 6 art. 193 and 194, false product certification would be considered misleading advertising, and that would be a case of tort, which would justify a claim for compensation. Since 2005 there is also a European directive which forbids and sanctions dishonest trade practices (2005/29/EG), including such misleading advertising. Book 3, art. 44 and 228 of the Civil Code deal more generally with ‘errors’ (dwaling) in transactions, like saying something about a product that is false, or withholding relevant information in a transaction. That in itself alone could be a reason for retroactive annulment of the agreement, which means that the one for whom the information was hidden can claim his money back. If the ‘error’ was made intentionally, that too would be a case of torts, and justify a claim for compensation (Verkade 2009).
Such protection from fraud through private law has however a number of serious drawbacks. First and foremost it is only a solution for the domestic markets; cross-national consumer transactions may be regulated under different legal systems and these tend to differ substantially as regards contract and tort law, ease to litigate, average tort damages awarded by the courts, etc. But even at the national level there are hindrances that reduce the effectiveness of private law: high costs, few returns, how to express the moral “damage” to a devout Muslim into a monetary value, and last but not least, how to prove it was not halal: a Dutch judge has to decide upon what is halal, for which the Qur’an has to be consulted and will likely meet resistance from the “official” Islam authorities.

4.4.3. Regulation through Public Economic Law
There is recently a trend towards more consumer protection under public law, in the wake of the decades of market liberalization. Notwithstanding the overkill of consumer information and protection ‘authorities’ – such as the Advertising Code Committee, ConsuWijzer and more - these public agencies pay as yet no attention whatsoever to halal products for the close to one million Dutch Muslim consumers. A search for the topic ‘halal’ on the websites of the Consumer Protection Authority, the VWA, NMa, AID, the Advertising Code Committee, and even the official commodities information website ConsuWijzer result in exactly ‘0’ search results. Apparently the topic has not even crossed the mind of the respective state authorities. For other cases of misleading advertisement there is more attention, such as for promotion of food and herbal products for medicinal properties, or for toys that look so much like real food that children might be tempted to swallow them.

Clearly, so far have Dutch authorities refused to get involved with measures under economic public law as regards halal, as they do not consider themselves responsible for the enforcement of religious norms. And even if they would be willing to engage themselves, Muslims might be wary about entrusting the quality of their religious safety to a secular western public authority; although that might be less the case with foreign Muslim countries, which want to import Dutch goods. They see on Dutch products only ‘made in Holland’, but they are interested to know whether these are halal, as only halal stuff passes their customs inspections.

4.4.4. Public Regulation of Religious Food Standards in the US
In the US there has been a history of public involvement with religious food standards, from which something could be learned. Since 1915, starting in New York, altogether 22 US states have enacted Kosher Fraud Statutes under pressure from Jewish lobby groups. These laws were a reaction to similar problems as now experienced by the European Muslim community. Non-kosher foods were being sold as kosher, and the states felt a responsibility to protect their Jewish citizens from such fraud. It was a form of private - public cooperation: the definition of halal was made by orthodox Hebrew rabbis; the enforcement of the standards was a public responsibility (We owe this information to a presentation by Tetty Havinga). In the Netherlands this might be an option too17, as there is a long history of cooperation between state and church, as e.g. apparent from the public funding of private religious organizations (schools, hospitals, broadcasting associations, etc.).

4.4.5. New Public-Private International Partnerships?
Considering this history it would be conceivable that a new form of public-private cooperation could develop around the enforcement of halal claims. In principle halal certificates could be protected by private law, by general requirements of honest trade. However, that would require a formal registration of the term ‘halal’. Registration as copyright or brand under intellectual property right legislation is of course not possible, as that is only relevant for when someone pretends to be able to claim the ‘property’ of the term. Obviously that is not possible with the term Halal. Separate public legislation, analogous to that in the US would have to be drawn up. That would require at least two minimal conditions:

17 In the U.S. the laws have eventually been declared unconstitutional as they infringed upon the constitutional separation of church and state. The Netherlands might encounter fewer problems as traditionally a close cooperation between state and church exists.
a- the Muslim community is able to agree of a common definition of ‘halal’ and its concrete operationalizations when it comes to specific products; this notwithstanding the heterogeneity of this community.

b- Public authorities would be willing and able to enforce private standards.

In general, this would be the world upside down: rather than having private organizations aiding in the implementation and enforcement of public regulation, as has been quite common in Dutch history, here we would have a case of the opposite: the public implementation and enforcement of private regulation.

However, recent history has seen the emergence of similar cases. In our globalizing world, more and more standards are drawn up by international private NGOs or other bodies; and these are then subsequently adopted by nation-states for public enforcement in their jurisdictions. Such has been the case in the regulation of global financial markets or in fair trade and sustainable development. An example is the EU and its member states adopting and sanctioning the certificates for sustainability, drawn up by private international bodies such as the Forest Stewardship Council or the Marine Stewardship Council. If the Muslims manage to get their act together and agree on international halal standards, these could possibly also be adopted and enforced by nation-states. Attempts in this direction are currently made both by public actors such as Muslim States that combine religious authority and public authority and sanctions (Malaysia, Indonesia, Thailand, Saudi Arabia, Turkey) as well as the emerging international private organizations of halal certifiers, such as the recently founded European Association of Halal Certifiers (see Sunday’s Zaman article).

It would require that the Muslim world manages to agree on a uniform standard for halal products, which would not only satisfy the needs of Muslims, but which would also be acceptable to non-Muslim societies including their animal rights movements. Some of the international halal organizations established by modern Muslim countries like the JAKIM and IHI Alliance (Malaysia), the World Halal Council (Thailand) and the very recent European AHC might be able to provide such a basis for public-private regulation of global halal markets.

5. Conclusion: a Solution to Halal in Crisis?

Halal has posed many difficult problems which appear unlikely to be solved soon. Many multinationals are eager to enter the still unexploited halal market that is within reach but remains unattainable despite many efforts and the large potential. Muslim consumers cannot and often do not want to trust halal products offered by “western” organizations or coming from increasingly large production chains, as the risk of inadvertently eating Haram – and thus the violation of their moral values – is perceived to be too large. And even though the bulk of the halal market is still in hands of the actors in the local “uncle-and-aunty” market, recent scandals such as the pork kebab and Imams certifying haram products has damaged it’s reputation. Moreover, newer generations Muslims increasingly prefer modern shopping in convenient supermarkets and refuse to take over their parents’ local butcheries and groceries which are the main providers for halal products. At the same time, these newer generations are increasingly aware of their halal consumption and demand more transparency and clarity concerning the halal status of products.

Fragmentation of the Muslims on both the global and local level hinders a solution in the form of a central representative Islamic body to write down a very much sought-after halal norm, despite many efforts such as IHI international from Malaysia and the European Association for Halal Certifiers. Moreover, international trade in halal has been disturbed by differences in halal standards, certificate laundering and fraud, resulting in shiploads of Dutch products that end at the bottom of the sea or garbage belt of Muslim countries, the Netherlands being put on black lists or a damaged reputation of the Dutch export products.

The provision of certificates by private actors to tackle the problems has not solved any, but on the contrary created yet more problems. Many fake or low quality certificates exists, and the competent certifying agencies are in constant conflict with each other over the definition of halal, the
control of halal quality and each other’s procedures. This has led to the emergence of an opaque market with exacerbated prices, fraud and all those problems that are present in a newly emerging market that is unregulated. Taken all together, the halal market is in crisis and is in need of regulation.

Despite these obvious problems and the need for regulation, the government has refused to become involved. The call for less regulation in the recent elections combined with anti-Islamic sentiments created by among others Wilders’ party for the freedom and international scandals such as the Danish cartoons make it quite unlikely that the government is very willing to move into the market for halal products. Nevertheless, no matter which solution will be chosen of the one’s discussed in this paper or any other one, governmental cooperation seems to be unavoidable. Moreover, the need for regulation is not limited to a national level with national actors, but requires cooperation on an international level with other governments and international actors such as Muslim organizations, the religious authorities of Egypt and Saudi-Arabia and professional authorities such as Malaysia and Indonesia. This case seems very similar to the early mentioned dairy scandals around 1917; first regulation of the export quality of products due to international pressure and demand, followed by domestic regulation later in time. Could the halal crisis lead to a repetition of history?

Additionally, the fact that the halal status of a product can become haram at every single step throughout the production chain, requires a “farm-to-fork” approach and thus cooperation on local level, but also international level. The multi-actor, multi-level cooperation that the solution of the problem requires might be too complex for the current state of the market to handle. Pragmatic solutions such as writing down a Dutch halal norm to start with could be the first step in the right direction. Complex supervising processes by accreditation organizations such as JAKIM of Malaysia and MUI of Indonesia have shown that much is possible, as long as sufficient urgency is given to the problem and both the government and individual certifying agencies take up their responsibility. The reversed California effect – that is, halal norms imposed on Dutch products by international requirements – in combination with a increasingly wealthy, critical and outspoken Muslim minority in the Netherlands and the carrot of entering the attractive halal market for both the government and Dutch organizations, might give the necessary push for the actors to finally cooperate and get actively involved in the search for a solution to the current crisis in the market for halal. Not only the pious Muslim will be grateful for a safer consumption and thus a calmer conscience, but also the certifiers, exporters, multinationals, international trade partners and in the end the Dutch trade interests in general will profit from a regulated market for halal products and certificates.
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\(^{18}\) Note: these are the references of the extensive version of the paper for the WRR. It could therefore be the case that some references of this list are not mentioned in the paper.


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**Appendix 1. Dutch Television Documentaries on Halal**

- RVU, Keuringsdienst van Waarde Keuringsdienst van Waarde onderzoekt de exotische gehaktstaaf (http://sites.rvu.nl/page/7202)

**Appendix 2. List of People Interviewed**

- 10-02-2010 mr. A.I. Farouk, Association for Halal Certificates, Amsterdam
- 20-02-2010 mr. Wahid Ramdjan and the imam of HIC, Rotterdam
- 22-02-2010 mr. René van Appeldoorn, Mekkafoods, Venlo-Kaldenkirchen
- 24-02-2010 mr. Ben Ali-Salah and colleague, Halal Correct, Leyden
- 05-03-2010 mr. Abdul Munim Al Chaman, HQC and Halal Control Office, The Hague
- 10-03-2010 mr. Murat Korkmazyurek, Halal Audit Company, Rotterdam
- 15-03-2010 mr. Abdul Qayyoem and imam, HVV/HFFIA, The Hague
- 18-03-2010 ms. Alima El Haddaoui, intern at HIC and author of thesis
- 30-03-2010 mr. Ali Erdem, sales manager ANUR snacks (part of vd Laan), at Paris Halal Expo
- 30-03-2010 representative of Robert Co (major Danish halal producer), at Paris Halal Expo
- 30-03-2010 mr. Zetali, Qibla halal (Swedish), at Paris Halal Expo
- 30-03-2010 ms. Fabienne Frebat, private label meat producer for Carrefour, Casino, Paris Expo
- 30-03-2010 representative VDE Foods, producer of Halal snacks, Belgium, at Paris Halal Expo
Appendix 3: Some Samples of Certificates:

Stickers to be put on Halal Products:
Halal Certificates Foundation
Halal Slaughtering Control
Halal Production Control

HALAL CERTIFICATE

Certificate No.: 100201-01 HCN D AAAAA_BBBBB

Upon request from Leverancier B.V., HOLLAND

In which it certifies that they comply with the rules and regulations of the Halal slaughtering and or production rules and they request the Halal Conform Quality Control The Netherlands to control the conformity of the production of the shipment mentioned under, for export, with the Islamic rites. After ensuring the conformity of the production, we issued this certificate.

This certificate is only valid after being signed, stamped and obtaining the unique certificate number with which we can follow the shipment and the certificate. Please contact us for any information related to this or other certificates.

CONSIGNMENT DETAILS

| Quality / Quantity and packaging: | CHICKEN LUNCHEON MEAT “XXXXX” BRAND, 2000 CARTONS 24X340GRS. |
| Identification: | ONGELDIG |

| Gross Weight: | 20.000 KGS |
| Net Weight: | 16.320 KGS |
| Producer: | Leverancier NL |
| Slaughterhouse: | NL 0000EG, NL 1111EG |
| Importer: | Afneerer LTD., etc etc, P.O.BOX 99999, etc ergens |
| Exporter: | Leverancier of iemands anders B.V. NL., adres etc. |
| Certificate of Origin No.: |  |
| Invoice No./Date: |  |

| Transportation Method: | Vessel: M.v. “Cap Bizerta” (or substitute) |
| Transportation Details: | Container no.: SUDU 135284 9 |
| Loading Port: | Antwerp |
| Destination: | XXXX, Turkey |
| Health Certificate No.: | 111111 2 d.d. 01-01-2229 |
| Slaughtering Date: | 13, 14 January 2010 |
| Production Date: | 14, 15 January 2010 |
| Expiry Date: | 13, 14 January 2013 |

Halal Control Office: Stichting Halal Certificaten Nederland
Signature & Name: Ibrahim A. Farouk
Date: 03 January 2010

Stichting Halal Certificaten Nederland – Van Wassenaerbroekstraat 1A H – P.O. Box 94397 – 1090 GL Amsterdam
KvK (CR) Amsterdam: 34266996 - Tel: 06-20661055 – E-mail: info@halalcertificates.com – www.halalcertificates.com
Fake ‘Do-it-Yourself’ Halal Certificate that we made from the web (at our address in Almere):

Organization Name do hereby testify that shipment of meat beef /calves/buffaloes/goats/chickens has been slaughtered according to the Islamic Rights and Principles. Accordingly, this meat is HALAL and suitable for Muslims use. Necessary actions have been taken to prevent mixing HALAL meat with HARAM ones. Slaughtering process has been performed in slaughter house where bigs slaughter is prohibited.

<table>
<thead>
<tr>
<th>Company Name</th>
<th>Halal Slaughter</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company Address</td>
<td>Uzman Krug 23, Ankara</td>
</tr>
<tr>
<td>Net Weight</td>
<td>250.00 LBS, 114.00 KGS</td>
</tr>
<tr>
<td>Cases Number</td>
<td>15 cases</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Shipping Method</th>
<th>Vessel</th>
</tr>
</thead>
<tbody>
<tr>
<td>Country of Origin</td>
<td>Turkey</td>
</tr>
<tr>
<td>Off Loading Port</td>
<td>Amsterdam</td>
</tr>
<tr>
<td>Destination</td>
<td>Almere</td>
</tr>
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</table>

<table>
<thead>
<tr>
<th>Exporter</th>
<th>Muzde Halal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Address</td>
<td>Muftikaftan 23, Ankara</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Importer</th>
<th>Halal Slaughter</th>
</tr>
</thead>
<tbody>
<tr>
<td>Address</td>
<td>Rapsodieplantsoen 11, Almere</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Slaughtering House</th>
<th>Halal Meat</th>
</tr>
</thead>
<tbody>
<tr>
<td>Slaughtering Date</td>
<td>December / 2009</td>
</tr>
<tr>
<td>Producing Date</td>
<td>December / 2009</td>
</tr>
<tr>
<td>Expiry Date</td>
<td>March / 2010</td>
</tr>
<tr>
<td>Health Certificate No MPG</td>
<td>23</td>
</tr>
</tbody>
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