

# HALAL AS SOCIAL CAPITAL: A STUDY ON ECONOMY AND IDENTITY



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## Abstract

This study explores the role of the halal concept as social capital in shaping the economic identity of Muslims in the globalization era. Using a qualitative literature review approach, the study maps relevant literature related to the transformation of halal values and Muslim consumer behavior. The findings reveal three main dimensions. First, the halal concept has evolved from a mere religious obligation into a symbolic capital that adds value to products in the global market while strengthening the collective identity of Muslims. Second, within Pierre Bourdieu's theoretical framework, halal functions as symbolic capital that provides social legitimacy, economic differentiation, and reinforces new hierarchies in the global market. Third, Putnam's theory explains how halal practices build solid social networks through a combination of bonding and bridging capital, fostering trust among producers, consumers, and certification bodies. Halal contributes not only to the sustainability of the global halal industry but also promotes the creation of a more ethical and inclusive business ecosystem. This research provides new perspectives on how the halal concept functions as social capital, reinforcing global economic dynamics while supporting the sustainable growth of the halal market.

**Keywords:** Halal Certification, Social Capital, Symbolic Capital, Global Economy

## **INTRODUCTION**

Islamic economics offers a distinct perspective from conventional economics by placing moral and spiritual principles at the core of every aspect. Beyond focusing solely on efficiency and economic growth, Islamic economics aims to achieve social justice, enhance human welfare, and foster profound value transformation within society (Asad Zaman 2001). Within this framework, one of the key elements characterizing Islamic economics is the concept of halal.

Initially, halal was understood merely as a consumption category oriented toward adherence to religious teachings. However, over time, this concept has transcended those boundaries and evolved into an important instrument for social and economic transformation. Halal now not only governs consumption choices but also shapes mindsets and behaviors across various dimensions of life.

In today's global landscape, the concept of halal has undergone significant transformation, becoming a complex socio-economic phenomenon. Global awareness, particularly among Muslims, regarding the importance of halal products continues to grow. Halal is no longer seen solely as a religious obligation but also as a lifestyle integrating ethical dimensions, product quality, and safety (Lestari 2024). Halal certification has become a key element in ensuring consumer trust, not only among Muslims but also among non-Muslims (Mustaqim 2023).

Furthermore, the growth of the halal industry demonstrates not only economic progress but also highlights the role of religious values in shaping social and economic structures. This dynamic is evident in both Muslim-majority countries and high-purchasing-power Muslim minority communities. For example, in Australia, the Indonesian Muslim community has formed a strong social network that influences consumption patterns and demand for halal products (Dzuriyatun Toyibah 2022). This illustrates how religious values can impact the social and economic structures of high-purchasing-power Muslim minority communities. This transformation also signifies the strategic shift of halal from being solely a religious obligation to becoming a form of social capital that fosters trust among producers, consumers, and certification bodies.

This phenomenon raises important questions about how the concept of halal functions as social capital influencing the formation of economic identity. Such an approach provides an opportunity to gain deeper insights into how religious values interact with global economic dynamics to create more inclusive and sustainable social structures.

In this context, several previous studies have explored the role of halal as social capital. These studies highlight how the concept of halal transcends religious obligations, serving as a transformative tool that builds trust networks and strengthens collective values amidst the challenges of globalization. However, in-depth research integrating the role of halal as social capital with the process of forming economic identity remains limited, leaving room for more comprehensive exploration.

For instance, research by (Desi Putri 2024) provides significant insights into how social capital, in the form of social networks, trust, and collective norms, can help fishing communities address challenges such as declining fish catches and climate change. The study emphasizes how solidarity and cooperation based on social capital contribute to economic resilience during crises. However, this research has limitations in integrating the concept of social capital with the formation of economic identity, particularly in the context of halal. The study focuses on fishing communities without exploring how social capital drives the consumption, production, or understanding of halal values as part of a collective identity.

Existing studies have made significant contributions to understanding various dimensions of halal, yet there remain notable gaps requiring further attention. At least, prior research can be grouped into three primary tendencies:

1. Technical studies have examined the role of halal in supply chain management, highlighting its impact on trust and social capital. Marco emphasized that maintaining consumer trust is a critical element in halal supply chains, making it a vital component of social capital that strengthens relationships between producers and consumers within Muslim communities (Tieman 2011). Zulfakar further explored logistical challenges in halal supply chains, stressing the importance of collaboration among stakeholders. This collaboration not only reflects strong social networks but also embodies the core of social capital in the halal context (Zulfakar, Anuar, and Talib 2014).

Meanwhile, Fahriani offered a global perspective by developing a framework to preserve the integrity of halal certification. This directly contributes to the social and economic legitimacy of halal products while reinforcing the economic identity of Muslim communities (Fahriani 2024). These studies demonstrate that the halal supply chain is not merely a technical issue but involves complex social dynamics, strengthening trust and market integrity. However,

further exploration is needed to integrate social capital with economic identity comprehensively and deeply.

2. The diversity of social factors influencing Muslim consumer behavior has been a focal point in various studies, revealing that social aspects are not mere supplementary elements but key drivers of consumption decisions. Bonne argued that subjective norms expectations and pressures from family, friends, or the community play a significant role in motivating the intention to purchase halal products (Bonne and Verbeke 2008).

Shah Alam reinforced this by highlighting how individual decisions to buy halal food are often shaped by social approval and expectations from their surroundings (Shah Alam and Mohamed Sayuti 2011). Mukhtar emphasized that religiosity, rooted in religious practices and norms, plays a critical role in strengthening solidarity and trust within Muslim communities (Mukhtar, Arshia 2012). Similarly, Setiawan pointed out that religiosity remains a dominant factor, even though other elements like halal awareness and trust show smaller influences (Setiawan and Mauluddi 2019).

Fatimah Nur elaborated on the importance of halal awareness as a collective knowledge that evolves through social networks, indicating a process of social learning within communities (Fatimah Nur 2021). Additionally, Asiyah demonstrated how subjective norms influence not only the consumption of halal food but also other products such as halal cosmetics, where community-established behavioral standards guide purchasing decisions (Asiyah and Hariri 2021). Ratnasari identified that halal awareness, religiosity, and the quality and safety of halal food play central roles in purchasing decisions among Muslim consumers in Indonesia (Ratnasari 2023). Collectively, these findings illustrate the intricate interplay between sociality and religion, forming complex halal consumption patterns within Muslim communities.

3. Research by (Jonathan A.J. Wilson 2010), (Fischer 2016), and (Joan C. Henderson 2016) has highlighted the critical role of social capital in the global halal industry through three main pillars, trust, networks, and norms. Together, these elements build a robust foundation for the development of halal trade and branding. Fischer emphasized that halal certification functions not only as a regulatory tool but also as a globally recognized symbol of trust. This enables producers and consumers across countries to connect through shared standards, fostering cross-border

collaboration. Halal certification thus becomes an essential element in establishing global economic connectivity based on shared values.

Wilson took this discussion further by examining the transformation of halal into a global brand that transcends religious and cultural boundaries. He demonstrated that universal values such as ethics, hygiene, and sustainability embedded in the halal concept make it relevant not only to Muslim consumers but also to the broader global market. According to Wilson, halal has shifted from a purely religious category to a part of global (lifestyle branding), enhancing its appeal across diverse cultural groups.

Henderson focused on the role of certification bodies in strengthening social capital by increasing consumer trust and establishing international trade networks. She illustrated how local and global halal norms are adapted to meet the diverse needs of markets. In her analysis, certification bodies act as bridges connecting halal markets in Muslim and non-Muslim countries while ensuring broadly acceptable halal standards.

Based on previous studies, this article concludes that social capital such as trust, networks, and norms plays a crucial role in halal trade and certification. However, it remains limited in integrating social capital with the formation of economic identity. This research aims to analyze the role of the halal concept as social capital in shaping the economic identity of Muslims in the era of globalization. The primary focus of this study is to understand how the concept of halal has transformed from a religious obligation into a multidimensional socio-economic phenomenon that not only adds value in global markets but also strengthens social networks and the collective identity of the Muslim community.

Using Pierre Bourdieu's theory of symbolic capital and Putnam's theory of social capital, this study hypothesizes that the transformation of the halal concept provides social and economic legitimacy, builds trust networks among producers, consumers, and certification bodies, and supports a more inclusive and sustainable business ecosystem. Halal as social capital not only sustains the global halal market but also serves as a strategic tool for strengthening the economic identity of Muslims amid the dynamics of globalization. Through this approach, the research aims to address the limitations of previous studies by offering a more comprehensive and integrated perspective on the relationship between social capital and the formation of economic identity in the context of halal.

## **METHODS**

This study adopts a qualitative approach by integrating two primary methods: a literature review as developed by (Creswell, John W. 2017) and a systematic review based on the framework of (Snyder 2019). The qualitative approach was chosen for its ability to explore and understand the meanings attached to social phenomena, particularly in the context of the transformation of the halal concept and the formation of economic identity. The literature review methodology enables the systematic synthesis of various sources to develop an in-depth understanding of key concepts in Islamic economics, while the systematic review provides a framework for interpreting and analyzing conceptual relationships between studies, particularly the connection between social capital and economic identity.

The literature selection process considered various sources relevant to the research topic. These sources included journal articles from diverse academic databases, both internationally and nationally indexed, peer-reviewed publications, academic books, and relevant research reports. This study also incorporates specific discussions that offer valuable insights into the implementation of the halal concept in particular contexts. Although some case studies are limited in scope, they provide significant contributions to understanding the practical dynamics of halal value transformation in the field. To enrich the analysis, the study integrates several theoretical perspectives from both classical and contemporary sources, taking into account their relevance and contributions to understanding the research topic.

Data analysis was conducted through three main stages. The first stage involved systematic data collection using various academic databases and credible online sources. The literature search was conducted using keywords relevant to the research focus, including the concept of halal, social capital, economic identity, and value transformation in the context of Islamic economics. The second stage focuses on thematic analysis that identifies and categorizes key themes such as the transformation of the halal concept, the role of social capital in the halal context, and the process of economic identity formation. The third stage includes data interpretation using an analytical framework that combines interpretive and critical perspectives. Interpretive analysis applies Bourdieu's theory of symbolic capital to understand the formation of networks of trust and social legitimacy, while critical analysis focuses on synthesizing the relationship between social capital and

economic identity, as well as evaluating the implications of value transformation in a global context.

The research recognizes some methodological limitations that are important to note. First, the main focus of the research is on conceptual and theoretical aspects, utilizing a variety of available secondary sources. Secondly, although this research utilizes several specific case studies, the aim is to extract insights that can contribute to a broader understanding of the transformation of the concept of halal as social capital. This limitation does not reduce the validity of the research findings, but instead opens up opportunities for further research that can explore aspects that have not been reached in this study.

## **RESULTS AND DISCUSSION**

### **Results**

#### **Halal as Social Capital and Symbolic Capital: Pierre Felix Bourdieu's Perspective**

Pierre Bourdieu offers a strong analytical framework to understand the phenomenon of halal as social capital and symbolic capital. Bourdieu developed concepts such as capital, habitus and field to explore how power and social position are managed and maintained. In the context of halal, these concepts are very relevant to explain the transformation of religious values into significant socio-economic instruments in modern society. Capital according to Bourdieu is divided into several forms, namely economic capital (material resources such as wealth and assets), cultural capital (knowledge, skills, and recognized symbols), social capital (a network of social relations that provide access to resources), and symbolic capital (recognition or legitimacy obtained through status, prestige, or certain symbols) (Bourdieu and Nice 2012). Habitus, as a system of dispositions formed from social experiences, influences the way individuals act, think and interact. In addition, the field (arena) becomes a social space where actors compete using capital to gain position or influence.

In the halal industry, halal certification creates social capital by strengthening the network of trust between producers, consumers and certification bodies. This trust serves as an asset that mobilizes sustainable business relationships. Halal certification, for example, allows producers to build an integrity-based reputation, while consumers are loyal to products that are considered safe and in line with Islamic values. This is in accordance with Bourdieu's view that social capital can be utilized for social and

economic benefits.

In addition to social capital, halal also acts as symbolic capital. The halal label not only symbolizes compliance with Islamic law, but also a symbol of quality, hygiene and ethics. In the global market, halal products gain economic legitimacy because they have appeal in certain segments, such as the global Muslim community, while reflecting the cultural identity of the producer. This symbolic capital provides significant economic benefits, including recognition as a premium product.

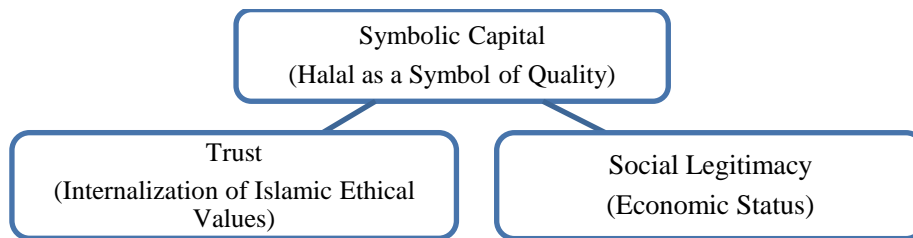


Diagram: Symbolic Capital in Halal Practices..

The transformation of the halal concept from mere religious regulation to social capital and symbolic capital can be analyzed through Bourdieu's theoretical framework of social practice and symbolic power. Bourdieu asserts that symbolic capital is a form of legitimacy that is recognized and gives authority to its holder. In the context of the halal industry, this is manifested through several main mechanisms.

1. Halal certification functions as an instrument for converting economic capital into symbolic capital. A case study conducted by Fatimah in Indonesia shows how local cosmetic companies that obtained halal certification experienced a significant increase in market acceptance, not only because of the guarantee of product halalness, but also because of the social status attached to the halal label (Fatimah Nur 2021). This confirms Bourdieu's argument that symbolic capital can be transformed into economic benefits through social recognition mechanisms.
2. Through Bourdieu's concept of habitus, it can be seen how halal values are internalized in daily business practices. Wilson's research in Malaysia revealed that Muslim producers do not only comply with halal standards because of regulations, but because these values have become an integral part of their business disposition (Jonathan A.J. Wilson 2010). This process creates what Bourdieu calls a doxa of unquestioning belief in the field of Islamic economics.
3. Halal certification creates a new field in the global economic arena, where different forms of capital (economic, social, and symbolic) interact. Fischer demonstrates how global halal standardization has created a transnational network



of trust that allows producers from different countries to access the global Muslim market (Fischer 2016). This is a manifestation of Bourdieu's concept of how symbolic capital can facilitate the accumulation of other forms of capital.

4. However, critical analysis shows that power dynamics in the halal field are not always equal. Henderson identifies how the dominance of certain certification bodies creates a hierarchy in the global halal industry, where some actors have greater ability to define and legitimize halal standards (Joan C. Henderson 2016). This phenomenon reflects Bourdieu's concept of struggle in the social field, where actors compete to define and accumulate symbolic capital.
5. Social capital in the halal context also operates through complex networks of trust. Zulfakar's study on halal supply chains reveals how halal certification creates trust networks that facilitate cross-border economic transactions (Zulfakar et al. 2014). These networks not only function as business infrastructure, but also as a mechanism for the reproduction of halal values and practices, in line with Bourdieu's concept of social reproduction.
6. The transformation of halal into symbolic capital also has an impact on the formation of contemporary Muslim economic identity. Asiyah's research shows how the consumption of halal products has become an important identity marker for urban Muslims, creating what Bourdieu calls distinction in the way social groups distinguish themselves through consumption practices (Asiyah and Hariri 2021). This phenomenon confirms that halal is no longer just a regulatory instrument, but has become an integral part of the social and economic classification system in global society.

Thus, analysis through Bourdieu's framework reveals how halal operates as a complex system involving interactions between economic, social and symbolic capital. This transformation not only changes economic practices, but also reshapes social relations and identities in the context of globalization.

### **Halal Practices as Social Networks and Trust: Robert David Putnam's Perspective**

Robert Putnam conceptualizes social capital as a feature of social organization that facilitates collective action and cooperation through three main dimensions: trust, norms, and networks. In *Making Democracy Work* (Putnam 1993) and *Bowling Alone* (Putnam 2002), Putnam developed an understanding that social capital can function in two forms, bonding, which strengthens ties within homogeneous groups, and bridging, which builds

relationships between heterogeneous groups.

Putnam emphasizes that social trust has two dimensions, namely thick trust, which develops from intensive personal interactions in homogeneous communities, and thin trust, which is formed in a wider and heterogeneous social network. In the halal context, thick trust is manifested in the cohesion of the Muslim community which is shown through loyalty to halal products and solidarity between halal producers. Meanwhile, thin trust is seen in the acceptance of halal products by non-Muslim consumers and the integration of halal standards into the global trading system.

The concept of norms in Putnam's theory refers to shared expectations that regulate behavior in a community. In the halal ecosystem, these norms manifest at two levels internally through adherence to halal standards and Islamic values in business, and externally through the adoption of global quality standards and harmonization of international regulations. Putnam asserts that these norms become effective when reinforced by strong social networks.

The network dimension in Putnam's theory includes the structure of formal and informal social relations. In the halal context, bonding networks are manifested in halal producer associations and Muslim consumer communities, while bridging networks are seen in international cooperation and cross-sector strategic alliances. Putnam argues that a balance between bonding and bridging networks is important to create productive social capital.

The table that follows systematically illustrates how Putnam's three dimensions of social capital (trust, norms, networks) operate in the context of bonding and bridging in halal practices. It shows that the halal ecosystem not only strengthens the internal cohesion of the Muslim community but also facilitates integration with the global market, creating what Putnam calls a virtuous circle where strong social capital promotes cooperation and broader economic development.

<b>Types of Social Capital</b>	<b>Description</b>	
<b><i>Bonding</i></b>	Improving relationships within the internal group (Muslim community).	
<b><i>Bridging</i></b>	Expanding networks between different groups (global acceptance of halal).	

<b>Aspects of Social Capital</b>	<b><i>Bonding</i></b>	<b><i>Bridging</i></b>
<b><i>trust</i></b>	Cohesion within the Muslim community →	Acceptance of halal products by non-Muslims

	Loyalty to halal products → Solidarity of halal producers	→ International standardization → Global market integration
<i>norms</i>	Compliance with halal standards → Islamic values in business → Halal production ethics	Adoption of global quality standards → Harmonization of international regulations → Sustainable business practices
<i>networks</i>	Halal producer association → Muslim consumer community → Halal business forum	International cooperation → Cross-sector strategic alliances → Global trade platforms

Table: Application of Putnam's Social Capital Theory in Halal Context.

On the bonding (internal) aspect, which occurs within the Muslim community, we can see that the trust established within this community serves as the basis for loyalty to halal products. This creates solidarity among halal producers, who support each other and work together in maintaining the quality and integrity of the products they produce. In terms of norms, compliance with halal standards is the main principle followed by halal business actors, where the Islamic values embodied in their business form a strong and consistent halal production ethic. The network formed at this internal level includes halal producer associations, Muslim consumer communities, and halal business forums that strengthen collaboration within the community.

In contrast, on the bridging (external) aspect, we see how halal also expands socio-economic networks through the acceptance of halal products by non-Muslims. This shows that halal products are not only attractive to the Muslim market, but also accepted by non-Muslim consumers who consider the quality and integrity of halal products as added value. International standardization applied in the halal industry enables the integration of halal products into the global market, while international regulatory harmonization supports sustainable business practices and wider acceptance. At the network level, cross-country collaboration, strategic alliances between sectors, and global trading platforms enable halal products to compete in international markets, expanding their reach and greater economic potential.

Overall, it shows that the social capital built in halal practices not only strengthens internal relationships within the Muslim community through bonding, but also expands the opportunities and influence of halal products in the global market through bridging.

These two forms of social capital complement each other, forming a beneficial ecosystem for all parties involved.

## Discussion

### Analysis of Halal Principles in Islamic Economics

The concept of halal normatively has a strong basis in Islamic teachings, referring to everything that is allowed or permitted according to sharia (Asa, R. S., & Azmi 2018). Explicitly, this concept comes from the Qur'an and Prophetic Hadith, which regulate all aspects of life, including food consumption, use of goods, economic behavior, and social relations. Halal is not only limited to the consumption aspect, but includes an ethical and moral dimension that guides Muslims in carrying out their daily lives. In the Qur'an, the concept of halal is often associated with *thayyib* (good or clean). Verses such as in Surah Al-Baqarah: 168 emphasize the importance of consuming food and goods that are not only halal but also *thayyib*. The words of Allah SWT (Kementerian Agama 2015):

*“O people! Eat of the lawful and wholesome food found on earth, and do not follow the steps of the devil. Indeed, the devil is a real enemy to you.” (Al-Baqarah: 168).*

This verse emphasizes that the concept of halal is not only legalistic, but also has a deeper moral dimension. Consuming something that is halal and *thayyib* reflects obedience to Allah's commands and maintains physical and spiritual health. Normatively, Islamic economics establishes halal principles that underlie all economic activities. Halal in this context includes three main elements, first, the goods or products/services consumed must be sourced from halal materials according to Islamic law. This involves the process of production, distribution, and consumption that is free from haram elements. Second, economic activities must be carried out in accordance with the principles of justice, transparency and honesty. Third, the practices of usury, *gharar* (uncertainty), and *maysir* (speculation) are prohibited because they are contrary to halal values. Likewise, halal products must be processed in a way that is not contrary to Islamic law. This includes hygiene, care for the environment, and animal welfare in the food industry. According to Yusuf al-Qaradawi, the halal principle has spiritual and social dimensions that aim to create the benefit of the people and economic justice. Halal economic activities bring blessings and prevent individuals and communities from the negative impact of consumptive behavior that is not in accordance with sharia (Qardhawi 1993).

Halal norms go beyond the legal function of sharia, serving as ethical guidelines in shaping economic behavior based on honesty, responsibility and transparency. Halal

certification becomes an important mechanism to ensure compliance with Islamic ethical standards, making it a symbol of trust and commitment to Islamic morality and ethical values that underlie social and economic interactions.

The normative implementation of the halal concept is reflected through the existence of halal certification issued by official institutions such as BPJPH (Badan Penyelenggara Jaminan Produk Halal) in Indonesia. This certification not only serves to fulfill legal obligations, but also becomes a tool to maintain quality, build consumer confidence, and strengthen the integrity of the halal industry. Halal certification is not only a fulfillment of sharia law, but also an ethical guarantee that distinguishes halal products from other products in the global market, halal certification is an important part of creating an industry that is not only legally compliant, but also prioritizes ethical values in every product (Bonne and Verbeke 2008).

The concept of halal in Islamic teachings refers to everything that is allowed or permitted according to sharia. This includes aspects of consumption, economic behavior, and social interaction. Based on the Qur'an and Prophetic Hadiths, the concept of halal is not only limited to legal aspects, but also has an important moral dimension in everyday life. As mentioned in Surah Al-Baqarah: 168 the concept of halal is closely connected with *thayyib*, which means good or clean, indicating that the notion of halal involves profound qualities, both physically and spiritually.

Halal Elements	Description
Goods/Services	Products or services consumed must be sourced from halal materials.
Economic Activity	Economic activities must be carried out with the principles of fairness, transparency and honesty.
Production Process	It must be free from haram elements, maintain cleanliness and care for animal welfare.
Prohibitions in Economics	Prohibition of usury, <i>gharar</i> (uncertainty), and <i>maysir</i> (speculation).

Table: Fundamental Principles of Halal Economic System.

This concept of halal serves not only as a legal guideline, but also as an instrument to direct ethics in every economic and social transaction. Halal certification issued by institutions such as BPJPH symbolizes a commitment to these values, ensuring that products circulating in the market not only comply with Islamic law, but also meet high ethical standards.

### Halal Symbolic Capital Analysis

Taste is not just an individual preference, but a product of complex social structures

(Bourdieu and Nice 2012). His concept of symbolic capital is an analytical extension of how social classes produce, distribute and maintain power through cultural practices. The concept of symbolic capital becomes the theoretical foundation in analyzing halal values. Symbolic capital is a form of power obtained through social recognition of certain symbols, which in this context is halal. This concept is relevant because halal not only has religious meaning, but also creates a symbolic structure that is socially recognized and accepted.

Bourdieu identifies four main types of capital that play an important role in social structure. First, economic capital, which includes financial assets and material resources owned by individuals or groups. Second, cultural capital, in the form of knowledge, skills and education levels that contribute to one's position in society. Third, social capital, which is a network of relationships and social connections that can be leveraged for specific benefits. Finally, symbolic capital, which includes the accumulation of prestige, honor and social recognition, is often a tool to legitimize power or status within a community (Granovetter 2018). These four types of capital are interrelated and shape the dynamics in the distribution of power in society. society.

Types of Capital (Bourdieu)	Manifestation in Halal Practice	Implications
Economic Capital	Investment in halal certification → Development of halal production infrastructure → Access to global halal market	Increased economic value of products → Expansion of market share → Product differentiation in market competition
Cultural Capital	Knowledge of halal standards → Understanding of the certification process → Expertise in halal production	Improved producer competence → Development of quality standards → Knowledge transfer within the industry
Social Capital	Network with certification bodies → Relationship with Muslim community → Collaboration among halal industry players	Strengthening consumer confidence → Establishment of halal ecosystem → Facilitation of market access
Symbolic Capital	Halal certification as a symbol of quality → Halal brand recognition → Reputation in the halal industry	Social and religious legitimization → Increased brand value → Establishment of product identity

Table: Integration of Bourdieu's Capital Theory with Halal Practices

Symbolic capital, in Bourdieu's framework, operates through a complex mechanism. First, it functions as an invisible mechanism of legitimation. That is, social power is not simply reproduced through direct coercion, but rather through a subtle process of internalization in everyday social practices. Second, symbolic capital creates

what Bourdieu calls habitus, a mental structure absorbed unconsciously through socialization. It is this habitus that shapes individuals' perceptions, thoughts and actions in the social space.

Empirical research that reinforces Bourdieu's theoretical framework has been conducted by a number of scholars, such as showing how fashion is not simply an aesthetic choice, but a complex representation of symbolic capital in social space (Crane 2002). Meanwhile, Robert Putnam in his theory of social capital explains that social capital includes trust, norms and social networks that facilitate coordination and cooperation in society (Putnam 1993). Social capital can be divided into two main forms, bonding social capital (which strengthens relationships within internal groups) and bridging social capital (which expands networks between different groups).

### **Value Transformation in the Halal Industry**

The concept of social capital, as described by Putnam, plays an important role in creating trust and stability in social and economic interactions. In the context of the halal industry, trust is the main key in building networks between producers, consumers and certification bodies. Halal certification not only fulfills the spiritual needs of Muslim consumers but also provides added economic value by building consumer loyalty. Abdul showed that Muslim consumers tend to choose products with halal certification because of the trust factor (Mustafa 'Afifi Ab. Halim et al. 2013). Halal certification becomes social capital that strengthens the relationship between producers and consumers and encourages collaboration among business actors in the halal industry. The concept of bonding social capital is seen in Muslim communities that support each other in the consumption of halal products, while bridging social capital emerges when halal certification is accepted globally, creating wider market access. This network strengthens the position of the halal industry in the global economy.

Value transformation in halal practices occurs through the internalization of ethical norms contained in the halal concept. Values such as honesty, cleanliness, transparency and sustainability become basic principles in the production and distribution of halal products. This reflects how halal practices are not only ritualistic, but also encourage the transformation of more ethical economic behavior. According to Bonne and Verbeke, halal practices contribute to increasing consumer awareness of ethical aspects of consumption. Consumers not only consider religious aspects, but also quality and ethical production processes. Thus, halal symbolizes a value transformation that connects the spiritual and economic dimensions.

In Bourdieu's symbolic capital framework, halal products are not only seen as consumer goods but also as a symbol of socially recognized status and identity. Halal products have symbolic meanings that give recognition to the values held by the Muslim community. Halal certification has a significant impact on social and economic dynamics, both locally and globally. On the one hand, halal certification creates economic opportunities by opening up access to a wider market. The global halal industry, which includes the food, cosmetics, pharmaceuticals and tourism sectors, is estimated to be worth trillions of US dollars. However, the socio-economic implications of halal certification also include challenges such as certification costs, fragmentation of halal standards, and accessibility for small producers. Small producers often face difficulties in fulfilling the requirements of certification due to limited resources. This calls for inclusive policies that support small producers in obtaining halal certification.

The concept of halal plays an important role in the formation of Muslim economic identity in the era of globalization. Halal is not only a symbol of compliance with Islamic teachings, but also a representation of Muslim identity in economic practice. This identity is reflected in consumption behavior, market preferences, and global trade dynamics. In the perspective of symbolic capital, the consumption of halal products reflects the values that the Muslim community wants to assert in the midst of globalization. Halal becomes a symbol of quality, ethics, and Muslim identity that is recognized at the international level.

### **Transformation of Social and Symbolic Capital in Halal Practice: A Putnam-Bourdieu Integrative Analysis**

Bourdieu's concept of habitus explains how halal practices shape the disposition of modern consumers. An ethnographic study (Fischer 2016) in Malaysia demonstrates how young Muslim consumers unconsciously adopt halal standards as common sense in their consumption choices, making halal a part of taste that marks social identity. The case of JAKIM (Malaysia's halal authority) provides a clear example of how symbolic capital in the form of certification is transformed into economic capital through access to global markets, while creating halal expertise as a new form of cultural capital.

In the context of global halal standardization, this analysis reveals complex power dynamics. Johan Fischer's research shows how various certification authorities such as JAKIM, MUI, compete for global legitimacy (Fischer 2011). JAKIM, for example, strategically uses its international network (bridging capital) to strengthen its position as



a standard setter. This confirms that international recognition of JAKIM's standards is strongly correlated with its global network. This integration of the Putnam-Bourdieu perspective appears to provide a more comprehensive understanding of how social and symbolic capital operate dialectically in shaping and transforming contemporary halal practices.

The State of the Global Islamic Economy Report 2023/24 reports Muslim consumer spending growth of 9.5% per year to US\$2.29 trillion across six real sectors (Dinar Standard 2023), showing how the halal habitus has transformed into a global economic force. However, research (Annabi and Ibidapo-Obe 2017) reveals that halal certification practices also create socio-economic hierarchies that are not always inclusive. Certified halal products tend to carry a premium price, creating social stratification among consumers and producers. Talib identified serious challenges for SMEs in obtaining halal certification, including high costs and complex procedures (Fatimah Nur 2021). This phenomenon shows how halal symbolic capital, while having the potential to create bridging capital in Putnam's context, can also produce social exclusion that is contrary to the inclusive values of Islam. The transformation of halal as symbolic and social capital thus requires a more inclusive policy framework to ensure more equitable access for all economic actors.

In addition, halal has developed into a strategic tool in global branding and marketing. Tieman explains that halal is not only a label of sharia compliance, but also a symbol of global quality (Tieman 2011). Halal is positioned as a representation of collective identity and an economic diplomatic instrument that opens access to international markets. Countries with large Muslim populations, such as Indonesia, Malaysia and Saudi Arabia, are developing the halal industry as an integral part of their national economic strategies. Thomson Reuters and DinarStandard show how the halal economic ecosystem covers a wide range of industry sectors, from food and beverages to cosmetics and pharmaceuticals (Georgetown Law and Thomson Reuters Institute 2021). Countries that adopt halal standards can strengthen their position in the global market, improve competitiveness, and facilitate value-based economic diplomacy.

One of the theoretical implications of this research is the need to develop a more inclusive and value-based halal social capital framework. Halal social capital focuses not only on achieving economic gains, but also on building a more just and prosperous society. By utilizing the concept of halal as symbolic capital, Islamic economics can help create a more integrated society, with attention to the balance between material prosperity

and spiritual wellbeing. Furthermore, in the context of social inclusion, it is important to develop a halal certification strategy that can accommodate small and medium enterprises. This can be done by simplifying certification procedures and reducing the costs involved, so that more businesses can access the halal market. The state and halal certification bodies need to work together to create a system that is more efficient and accessible to all parties.

Finally, the Islamic economy with the application of the halal concept as an instrument of value transformation, can serve as an alternative economic model that is more sustainable and based on social justice. In the long run, a value-based economic system can help create a balance between material needs and spiritual needs, which in turn can lead to more inclusive and sustainable economic development.

Aspects	Sub-Aspect	Details
<b>Product Transformation</b>	Physical Product → Representation	Quality, Ethics, Spiritual Identity
	Added Value	Consumer Trust (Muslim & Non-Muslim), Product Differentiation, Premium Price Potential
<b>Global Halal Market</b>	Demand Increases	Muslim Population Growth, Halal Product Awareness
	International Reach	Market Expansion for SMEs & Large Enterprises
	Global Standardization	Efforts to Harmonize Halal Standards
	Manufacturer Competition	Competition for Certification & Market Share
<b>Impact of Halal Certification</b>	SMES	Wider Market Access, Increased Competitiveness, Challenges (Cost & Process)
	Global Branding	Brand Strengthening, Positive Image (Ethics, Quality, Safety), International Cooperation Opportunities
	Social Value	Inclusion of Religious Values in Economics, Promotion of Responsible Consumption, Contribution of Islamic Economics

Table: Product Transformation Framework, Halal Market, and Socio-Economic Impact.

This table illustrates the various aspects related to halal product transformation and its impact on the global market. In the product transformation dimension, physical products not only serve as consumption goods but also become a representation of quality, ethics, and spiritual identity, and provide added value such as increasing consumer confidence (both Muslim and non-Muslim), product differentiation, and potential for premium pricing. In the context of the global halal market, the demand for halal products is influenced by the growing Muslim population and increasing awareness of halal products, while international reach enables market expansion for SMEs and large companies. Global standardization and competition among manufacturers for

certification and market share are also important challenges. The impact of halal certification on SMEs includes broader market access and increased competitiveness, albeit with cost and process challenges. On the other hand, halal certification also plays a role in global branding, strengthening brands with a positive image related to ethics, quality and safety, and opening up opportunities for international cooperation. In addition, halal certification encourages the inclusion of religious values in the economy, promotes responsible consumption, and makes a significant contribution to the Islamic economy.

## **CONCLUSION**

This research strengthens the understanding of the role of halal as social capital that strengthens global economic networks while showing that the concept of halal has transformed from a religious obligation to symbolic capital that creates added value to products in the global market. In Bourdieu's theoretical framework, halal functions as symbolic capital that strengthens the collective identity of Muslims while providing economic differentiation. Meanwhile, Putnam's theory explains how halal practices build solid social networks through a combination of bonding and bridging capital, strengthen trust between producers, consumers and certification bodies, and encourage the creation of a more ethical and inclusive ecosystem.

The concept of halal also has a complex socio-economic dimension, not only as a value system that complies with sharia law, but also as an instrument of moral and spiritual transformation in society. Halal practices contribute to the establishment of a new hierarchy in the global market, higher business standards, as well as a collective identity in the global economy. However, this transformation is faced with challenges, such as the inclusion of SMEs in the certification system and the balance between commercial and ethical aspects.

This study has limitations in data coverage which is still limited to literature and empirical analysis, so that the variety of views from local and global contexts has not been maximally explored. The challenges of SME inclusion in halal certification and harmonization of international standards also require more attention. Further research is recommended to explore the influence of halal as social capital in strengthening local community trust networks and its impact on value-based economic growth, especially in regions with significant Muslim populations. In addition, it is important to examine the role of halal as a symbol of collective identity in creating economic differentiation in the

global market and cross-cultural marketing strategies. This study is expected to enrich the understanding of the multidimensional role of halal in economic, social, and identity in the era of globalization.

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