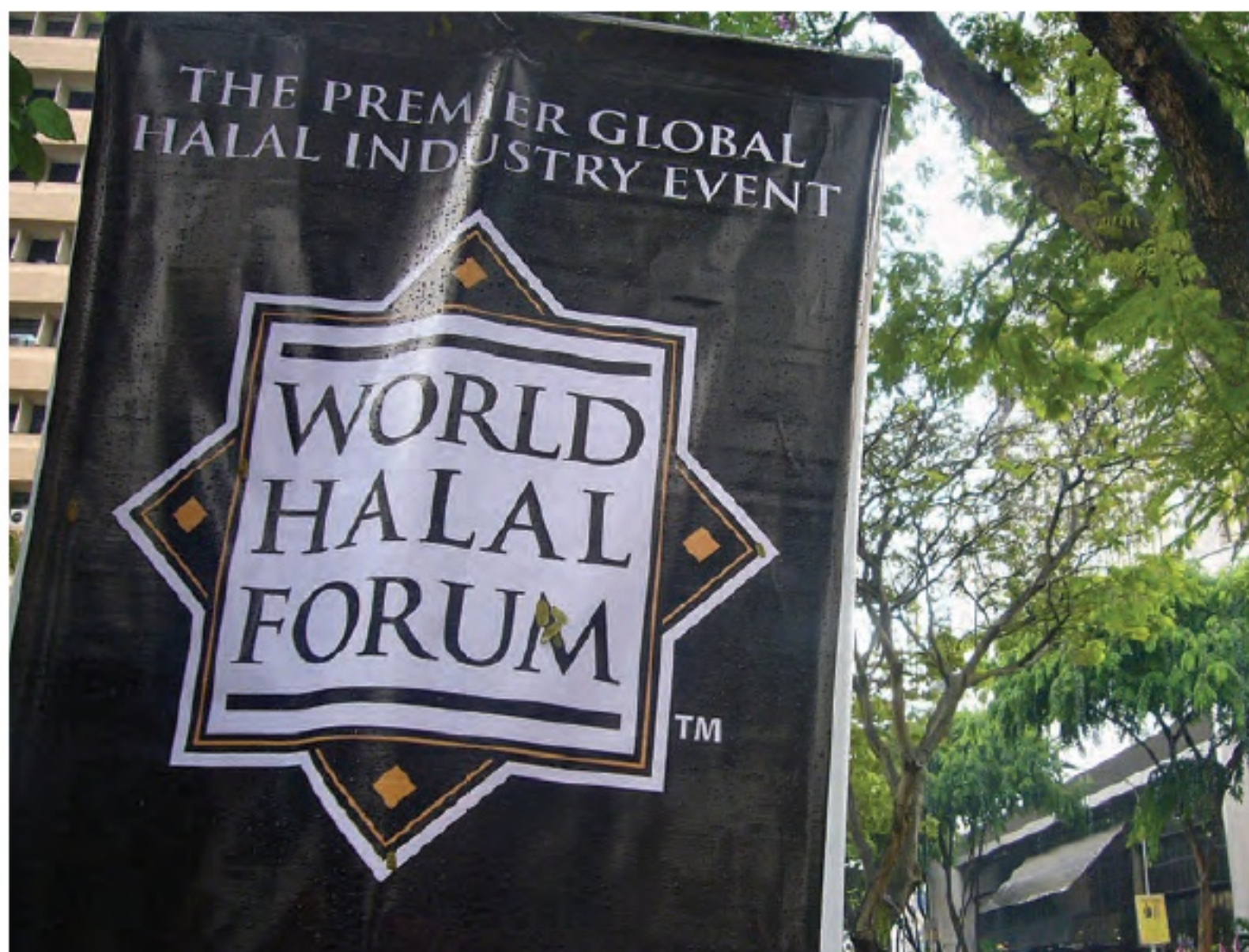# World Halal Forum

Muslims must agree on a global halal standard without neglecting national interests and existing standards. BY ABDUL KABIR HUSSAIN SOLIHU

THE PREMIER GLOBAL HALAL INDUSTRY EVENT

WORLD HALAL FORUM ™

The global halal food market is currently estimated at $547 billion annually, with a similar market value for halal pharmaceuticals, cosmetics, and other services. Ironically, this 1.6 billion-strong market segment, spread over 148 countries, remains dominated by non-Muslims. The third World Halal Forum, held this summer in Kuala Lumpur, Malaysia, was sponsored by KasehDia Sdn Bhd and hosted by Halal Industry Development Corporation (HDC), a Malaysian government-linked company for promoting halal business. It brought together industry and business experts, as well as government delegates from over forty countries, to discuss "Sustainable Development through Investment and Integration."

Jumaatun Azmi (founder, World Halal Forum [WHF]) introduced the WHF as an international business forum that promotes halal business cooperation among members. Sheikh Saleh Abdullah Kamel (president, Islamic Chamber of Commerce and Industry; chairman, WHF) stressed that engaging in halal products primarily represents *taqwa* (piety) according to Muslims and commerce according to non-Muslims. Muslims, he stressed, must preserve their cultures and values while engaging in globalization or interacting with global industries.

In his keynote address, Malaysian prime minister Abdullah Ahmad Badawi emphasized his government's full support and outlined incentives to make Malaysia's halal industry more attractive to investors so that it can become the global halal industry's hub. He proclaimed that halal products are *tayyib* (wholesome, nutritious, hygienic, healthy, and environmental friendly) for all people.

Prof. Mohammad Hashim Kamali (CEO and chairman, Hadhari Institute for Advanced Islamic Studies), presented "Developing the Halal Industry within Islamic Principles," in which he explained the meanings and categories of halal and *haram*. The Qur'an, he said, considers everything halal, unless there is clear evidence to the contrary, and recognizes the

validity of science; however, science marginalizes the truth claims of revelation. Jamil Bidin (CEO, HDC), who discussed "Developing the Halal Industry," identified several necessary mechanisms for building "an absolute halal industry": the formulation of fatwa, research, and development; halal standards/guidelines; public service delivery; enforcement and monitoring; and an education program. Badlisyah Abdul Ghani (CIMB Islamic Bank, Malaysia) underscored the importance of halal financing.

The "International Halal Agendas" session showcased the strategy and initiatives taken by halal certification-issuing countries to promote the halal industry. Indonesia and Brunei represented Muslim-majority countries, China (the Ningxia Hui Autonomous Region) and the Philippines (its southern areas) represented countries with sizeable Muslim populations, and Japan represented a country with a tiny Muslim minority. Irfan Sungkar (KasehDia, Malaysia) related his findings as regards the industry's dialogue on halal food and products, certification agencies, and other related issues in twenty-four countries. He said that the awareness level for halal meat and meat-based products is the highest, followed by processed foods, while cosmetics and pharmaceuticals scored the lowest. In addition, awareness is higher in Asia and Europe than in the Middle East. He recommended that Muslims agree on a global halal standard without neglecting the nation's interests and existing standards.

In his paper "Halal as Corporate Social Responsibility," Muhammad Ali Hashim (chairman, KFC Holdings Malaysia) noted that in order to improve Muslim society, halal must be translated into business action through "business jihad," thus expressing the Muslims' niche spiritual energy in business terms. Aziz bin Long (SIRIM, Malaysia) posited aligning the halal standard with internationally recognized standards instead of creating a separate one.

Mirwan Hassan al-Khatib (Dubai Islamic Investment Group) remarked that as there is no hypermarket of halal industries in the Muslim world, Muslims should partner with multinationals that already possess large market shares and global distribution networks. Mohammad Hashim Tajudin (Chemical Company of Malaysia Berhad) said that the halal concept is high-

ly applicable in the pharmaceutical industry as regards the source of raw materials, packaging, processing, ingredients, additive materials, and the supply chain. The Malaysian government, he said, should either convince or partner with multinationals to undertake research and development activities in Malaysia so that the resulting halal products can be easily brought to the world market. Midhat Jasic (Tuzla University, Bosnia & Herzegovina) sought the establishment of a standard system of "lifelong halal education" about halal foods and a halal diet.

Rashed Abdullah Alaskar (GCC Stan-

dardization Organization) highlighted the general guidelines for using halal products in the GCC countries. Robert Madge (ID-Track, European Association of Secure Identification, Switzerland) explained that the key requirement for halal food to meet the European standard and penetrate its market is "traceability," namely, tracking food, feed, ingredients, and packaging through all production stages and then recording the processes applied along the way, by who, where, when, and how. This, he said, will be appreciated by discerning Muslim consumers and also attract non-Muslim consumers who are mainly con-

cerned with the food's wholesome aspects.

The conference entrusted the International Halal Integrity Alliance (IHIA), a Malaysian NGO, with steering the harmonization of halal certifications worldwide. The heavily business-driven forum was attended by Muslims and non-Muslims, and several memorandums of understanding were signed during the opening ceremony. The conference exhibition offered a variety of halal products.

Abdul Kabir Hussain Solihu is an assistant professor in the Department of General Studies, the International Islamic University Malaysia, Kuala Lumpur, Malaysia.

Management by Islam

How applying Islamic management frameworks can help the long-term sustainability of organizations. BY ABRAR ANSARI

America's post-9/11 political culture, legal environment, and public discourse have become structurally Islamophobic. While Muslim American organizations have opened their doors and engaged in civic and interfaith dialogue, the ongoing fear of prosecution and lack of due process has left its psychological impact.

Redressing government scrutiny, improving the public image, and educating the public about Islam's values is only half of the struggle. While progress has been made in creating Muslim advocacy groups, educational centers, public policy institutes, political action committees, and interfaith outreach programs, scant attention has been given to harmonizing and codifying institutional and organizational governance models. Thus the long-term sustainability of organizations, vis-à-vis their ability to share best practices, communicate effectively, instill organizational efficiencies, and to be at par with the western organizational management paradigm is at risk.

Merging Islamic spirituality with western process-oriented management frameworks will help create a "Management by Islam" (MBI; www.managementbyislam.com) framework that would adopt, implement, and maintain best practices; streamline organizations; and train Muslims in state-of-the-art management practices with a God-centric frame of reference for creating transparency and accountability. This balanced approach will provide an alternative to existing management

frameworks by eliminating the focus on year-end profit and loss statements as key performance indicators (KPI) for business health and performance measures.

When Muslims recognize the importance of abiding by the divine guidelines prescribed by God and exemplified by Prophet Muhammad (salla Allahu 'alayhi wa sallam), then transparency and accountability will become the focal points of governance in all of their affairs. Such a model also offers organizations a shift from the short-term focus on the return on investment (ROI) to the long-term focus on spiritual ROI. In addition, it will rejuvenate the Muslims' lost sense of humanitarian and environmental activism by putting social justice, public service, civic outreach, and environmental safeguards back on the list of priorities.

Muslims can serve as good counselors in the corporate governance and organizational management realms by adhering fully to God's divine framework. For Muslim organizations that aspire to be exemplary institutions, what greater ROI can there be than governing their affairs by such an Islamic management framework? The Prophet encouraged giving good advice; in this context, such advice should seek to make our organizations role models both in principle and in governance. Such organizational behavior is not mere lip service to the intent to govern Islamically, but rather the synchronization of good intentions with the ability to continuously set higher performance standards.

The MBI framework thus seeks to balance the professional and organizational wisdom as well as implement globally harmonized God-conscious policies and ethical standards to establish effective and sustainable personal and organizational environments. Although Islam may play a balancing role in our personal lives, only seldom do we inject and harmo-

> **Merging Islamic spirituality with western process-oriented management frameworks will help create a "Management by Islam" framework.**

nize our organizations and institutions with its balanced approach. It is this balance that helps us mitigate risk and achieve success.

If the purpose of this life is to attain God's approval, as Islam states, then our long-term strategy should focus on those activities that bring us His favors. Such a goal cannot be realized, however, without making a serious commitment to our short-term roles and responsibilities here on Earth. Western management frameworks are excellent tools for achieving such short-term objectives. But these same frameworks can negatively affect our performance if our servitude to God is not an integral compo-

nent of the broader framework. When we ignore liabilities of this magnitude and become too focused on everyday living, an element of risk enters the equation: meeting our Lord on the Day of Judgment in a state of bankruptcy.

The degree of confidence in minimizing liability is a KPI for predicting the desired end result. An MBI risk management approach, one embodying the Qur'an and Sunnah as the underlying core decision support system, facilitates a balanced approach in controlling risk. Thus, it promises a greater potential in producing a corporate citizenry that is synchronized and mindful of its responsibilities in this life.

Are Muslims ready to implement such a God-centric framework so that they can begin to eradicate Islamophobia and lead by example? While most of our organizations already have the wisdom and the expertise needed to succeed, do they efficiently draw upon their employees' competence, expand the flow of information, and open up channels to understand and act on that information, thereby enabling organizational growth?

Muslim Americans need to build teams that understand the efficiencies associated with bilateral collaboration, recognize the dynamics of empowerment, and realize the importance of adapting to change. The desire to change, however, needs to come from within our organizational leadership, for any change undertaken without the internal desire to change is only a cursory change on an emotional level. Emotions might help us acknowledge the enormity of our challenges, but mere rhetoric cannot improve our existing condition. Combining western process-oriented management frameworks with Islamic spirituality is not just another good thing to have; it is a necessity for sustainable governance.

Abrar Ansari is the co-founder of Abstract Space, Inc.