



Synergising Hallyu and halal economy for wealth creation

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Abstract

South Korea has reaped economic success from international acceptance of Hallyu and now eyes Halal economy as an added avenue of sustainable economic well-being. Merging Hallyu concepts with Korean made Halal products are alternative avenues for income generation. However, their industry players face considerable difficulties as they have poor knowledge about Islam, plus only one South Korea Halal certification body is acknowledged globally, thus to obtain Halal certification is problematic. It's imperative that stakeholders implement the Halal standards in order to export their cosmetics and food products to the Asian and Middle East markets, and realise Muslim friendly tourism within their country. Malaysia, a multiracial nation is universally acclaimed as a leader in Islamic Economy. By using Malaysia's experience, South Korea's policy makers and business sectors will be able to identify the gaps in Islamic knowledge between the expected and that practised. Business success in the Halal market is the motivating driver to understand Islam and made possible via experiential learning. A literature review will be conducted by analysing existing documents on Halal economy; Korea's economy, culture and awareness of Halal. Findings will assist in charting what areas should be addressed to create greater understanding about *halal* and Islam.

Keywords: experiential learning, halal economy, halal cosmetics, hallyu, wealth creation

Introduction

Halal economy has seen continued sustainable growth, driven by the thriving affluent middle-class young Muslim population, who demand for Halal products and services; believing that being faithful and leading a life dictated and governed by Qur'an and Hadiths does not limit their desire to lead a modern lifestyle. Numerous reports indicate that Halal market has not only emerged as a new growth sector but a competitive force in the global economy. In its GIER 2018/2019 report, Thomson Reuters and DinarStandard estimated that global Islamic spending has breached US\$3 trillion in 2017. It highlighted that this industry is expected to grow exponentially as the world population of moneyed young Muslims is forecasted to reach 29% by year 2050.

“*The Muslim consumer market, consisting of 1.8 billion people now is the next important and largely untapped global opportunity given that two-thirds of the Muslim population are under 30 years old.*” Ogilvy Noor (2012).

The Hallyu culture introduced and supported by the South Korean government, has captured the international attention, especially in Asia and South East Asia, as it merges the cultural identity of Asians that have acceptable universal appeal. This acceptance has translated to a surge in demand for all things Korean especially Hallyu movies and drama, food, cosmetics and fashion and led to an increase in tourist arrivals to South Korea. Even as other economic sectors have seen a gradual downward spiral, Hallyu culture have led an unprecedented upsurge in rate of growth of the entertainment industry.

Nevertheless, whether these two trends merge to be advantageous to South Korea in terms of sustainability is a question that needs to be deliberated. Many Korean companies especially from the food, cosmetics and tourism agencies would like to ride on the popularity of the Korean wave overseas but lack of understanding about Islam prove to be challenging. Industrialists find the Halal export standards and policies rather intricate to navigate as Muslims are governed by the holy scriptures of Qur’an, Hadiths and also by the schools of Islamic jurisprudence. Compounding this dilemma is that there is only one Halal certifying body in Muslim minority South Korea that is recognised globally.

This article seeks to determine the possibility of taking advantage of the popularity of Hallyu culture in pursuit of wealth creation through *Halal* economy. Experiential learning through involvement in business transaction relating to *Halal* will ultimately impart accurate knowledge about Islam to South Koreans. Thereby enhance acceptance and understanding towards Islam and achieve *maslahah* for Muslims across the continents.

Literature review

Overview of South Korean economy

South Korea, once a humble agrarian nation, rose to become the 3rd largest economy in Asia and the 11th largest economy in the world and is considered as one of Asia’s economic marvel. The most significant factor attributed to this meteoric rise was the adoption of an export-led economic strategy in the early 1960’s.

This phenomenon was said to have been driven by mega *chaebols* (family owned conglomerates) that were incentivised by the government to improve production efficiency in order to compete in the global market (wikipedia; Chibber & Vivek, 2014). Significant advantages of export led growth strategy, practised by *chaebols* then, guaranteed greater capacity utilization, and necessitated resource allocation. The overall outcome resulted in producing a highly motivated and educated population that drove South Korea’s high-end technology and economic development at a tremendous rate (ICEF, 2014). Special tax discounts and government’s protectionist policy, resulted in an unusual situation, that would not have occurred through natural market forces of supply and demand. This symbiotic relation is feared may jeopardise the sustainability of the South Korean economy and its ability to transform in the future (Eleanor Albert, 2018).

Chaebols own 77% of South Korea’s assets, and contribute to 25% of of the nation’s GDP, but for the sake of economies of scale, they manufacture in developing countries where labour is cheap. Thereby, *chaebols* success did not contribute towards employment opportunities for South Korean’s citizens. Regrettably cronyism and cross-ownership also resulted in lower company share value compared to their peers in the U.S., Europe or Japan.

In essence, although initially export driven economy was the dynamo for economic growth and excellence, it is counter productive after a certain period. Worse, World Bank (2016) noted for the past decade, South Korea's GDP only grew at an average of 3.5 percent annually, down from 4.4 percent in the 2000s and 7.1 percent in the 1990s.

China's "Made in China 2025 policy" to be self sufficient in the field of technology indicate that South Korea is one of the countries most affected (Wübbeke et al., 2016). Further forcing the Korean government to develop innovative strategies to lessen their dependence on export led economy and address it's tepid economic growth in recent years. Realising this, the current government has made efforts to create a more healthy equitable domestic economic environment, increase employment and wage rates via their SMEs to achieve her sustainable development goals.

Hallyu Culture

Hallyu, also known as Korean Wave, is one of the most influential pop culture phenomenons of this era and has captured the international scene. In her aim to become one of the world's leading exporters of culture, the South Korean government began to fund and provide subsidies to the Korean entertainment industry to profit from the universal growing popularity of Hallyu culture. First driven by the spread of K-dramas and Hallyu across East, South and Southeast Asia, the Korean Wave progressed from a regional to a worldwide sensation, supported by the internet, social media and proliferation of Hallyu music videos on YouTube (wikipedia). Jeong Mee Kim (2007) summarised in his study, that the reasons behind the huge success of Korean pop media, all over the world and especially South East Asia, was because it unites the cultural identity of Asians by highlighting oriental norms with value propositions that have widespread appeal. Hallyu music entertainment involves selling entertainment innovation in the form of a comprehensive package, that intergrates music, fashion, dance, singing, story, and importantly the idols themselves (ET Bureau, 2018).

Using facilities provided by Industry 4.0, the internet provided an advertising medium for Korean idols and accordingly Hallyu has become a profitable marketing tool to entice tourists. Indeed, it's popularity have lead to corresponding increase in demand for all things Korean especially Hallyu movies and drama, food, cosmetics and fashion, and raised in-bound tourist arrivals.

Figures reported by the Korea Creative Content Agency indicated that South Korea's music industry is valued at an estimated US\$5 billion. As international fans travel to Korea to watch concerts and experience Korean culture personally, in-bound tourism market (Table 1) in South Korea, rose from 13.23 million in 2015 to 15.35 million in 2018 (Statista Research Department).

South Korea is the 8th largest cosmetics market in the world, representing nearly 3.0% of the global market. In 2017, the market size was estimated to be US\$8.8 billion; the total local production and total exports increased approximately 3.6% and 18.3% respectively from the previous year (export.gov); with an annual growth rate of 4.7% (Table 2).

South Korea is also benefiting in Muslim majority foreign markets such as Asia, South East Asia and Middle East, whose populations are addicted to Korean dramas, Korean pop music, cosmetics, fashion and the latest Korean food. Approaching and penetrating these warm markets could be done easily except for the fact that many Muslims adhere strongly to Islam and are overtly sensitive about the "Halalness" of the products and services.

Table 1. Top 12 nationalities of international visitors for all purposes

Rank	Country	2018	2017	2016	2015
1	China	4,789,512	4,169,353	8,067,722	5,984,170
2	Japan	2,948,527	2,311,447	2,297,893	1,837,782
3	Taiwan	1,115,333	925,616	833,465	518,190
4	United States	967,992	868,881	866,186	767,613
5	Hong Kong	683,818	658,031	650,676	523,427
6	Thailand	558,912	498,511	470,107	371,769
7	Philippines	460,168	448,702	556,745	403,622
8	Vietnam	457,818	324,740	251,402	162,765
9	Malaysia	382,929	307,641	311,254	223,350
10	Russia	302,542	270,427	233,973	188,106
11	Indonesia	249,067	230,837	295,461	193,590
12	Singapore	231,897	216,170	221,548	160,153
	Total	15,346,879	13,335,758	17,241,823	13,231,651

Source: Tourism in South Korea; Wikipedia

Table 2. Value of South Korea Cosmetics Industry

Country	2017	2016	2015	2014
Total Market Size (US\$ million)	8,799	8,129	7,640	7,665
Total Local Production (US\$ million)	11,950	11,241	9,481	8,511
Total Export (US\$ million)	4,372	4,192	2,929	1,893
Total Imports (US\$ million)	1,176	1,080	1,088	1,047

Sources: Korea Cosmetic Association (KCA), Ministry of Food and Drug Safety

Halal Economy

The terminology ‘Halal Economy’, first coined at World Halal Forum 2011 held in Malaysia, include diverse business sectors; from halal food, non-food, cosmetics, pharmaceuticals, finance, lifestyle, healthcare, hospitality, logistics and halal certifications. It integrates the production of *halal* products and the Islamic financial system. (www.aljazeera.com (n.a., nd.)). The growing young Muslim population, whose spending power is enormous, are believed to have driven the exponential growth of *Halal* economy.

Whilst *halal* means permissible according to Islamic law, *toyyiban* covers aspects such as safe, clean, nutritious, and quality, which is primarily concerned about food safety measures (Sani & Dahlan, 2015). To Muslims, there is no grey area between what is *halal* and what is *haram* (*forbidden*); as echoed in the verses Qur’an 7:145, Qur’an 6:157 and Qur’an 5: 1, 4, 5, 8. Sayyidina Abu Hurairah r.a. narrates that the Prophet Muhammad (SAW) said: Allah (SWT) has commanded the faithful to do that which he commanded the Messengers, and the Almighty has said: “O Messengers! Eat of the pure things and do right” (Qur’an 23:51). Thus, if Muslims are doubtful of the “Halalness” of a product they obligated to abstain altogether.

GIER 2018/2019, published that in 2017, Muslims’ expenditure on Halal food and beverage was US\$1.3 trillion, followed by modest fashion at US\$270 billion, media and entertainment at US\$209 billion, tourism and hospitality at US\$177 billion, and pharmaceuticals and cosmetics at US\$87 billion and US\$61 billion respectively. Hence,

many Muslim and non-Muslim majority countries, in retrospect of the immense potential *halal* economy has to offer, are redirecting their marketing strategies towards achieving dominance in the global *halal* marketplace, as seemingly it assures increased GDP growth rate, business and trade activities, and greater employment opportunities.

Halal Focus (2017) reported that UAE Minister of Economy, Sultan bin Saeed Al Mansouri, commented, “Today, non-Muslim countries view Islamic finance, *halal* lifestyle, and sharia-compliant trade and industry as the pillars of their sustainable development plans”. *Halal* and *toyyiban* understanding is growing amongst global industry players, and the enormity of *halal* tourism has just been realised. Muslim minority nations such as Singapore, Thailand, the United Kingdom, Japan and Taiwan have taken the top 5 post as Muslim friendly destination. These nations created Muslim friendly programmes such as allocating prayer rooms in major airports, encouraged their restaurants to cater Halal food and even published Halal food eateries booklets for Muslim tourists (Business Today, 2019).

Harnessing Hallyu culture to capitalise on halal opportunities

Pew Research Centre, postulated that by 2030, the world population will be made up of 26.4 percent Muslims which is approximately 2.28 billion Muslims. Henceforth, South Korea has to urgently take the opportunity to capture the *halal* market.

Domestically, the Korean Wave “*Hallyu*” has boosted the South Korean in-bound tourism market as it is one of the fastest emerging popular tourist destinations among Muslims from Malaysia and Indonesia. They visit destinations made popular in Korean dramas and movies, and buy Korean cosmetics. South Korea, currently placed as top 10 Muslim tourism destination, can capitalise this unexploited demand for further wealth and job creation. Article by Business Today (2019) highlights that the *halal* travel market has revolutionised from Halal Travel 1.0, when businesses, hotels and tour operators provided services to catered to Muslim tourists’ needs such as *halal* food options, *wuduk*-friendly washrooms, and prayer facilities to Halal Travel 2.0. The advent of Industry 4.0 leverages on artificial intelligence big data analytics, which enables augmented reality and virtual reality that contributes towards enhancing Muslim travelers experience and connectivity.

Reponse towards Korean cosmetics and skincare products have also been massive in Asia, because of their economical pricing and suitability to Asian skin. Unsurprisingly, in countries such as Sri Lanka, Singapore, Thailand, Malaysia and Japan, Korean cosmetics and skincare products have displaced more established European beauty products. To avoid political concerns between South Korea and China in 2016, several large Korean cosmetics companies have re-designed their products to exclusively target Muslims and darker-skinned women in Southeast Asia (Wikipedia “Korean Wave”). According to GIER 2018/2019, top three countries by expenditure, using *halal* cosmetics are India, Indonesia and Russia.

Overcoming challenges from diverse muslims’ needs or ‘Urf

South Korean industry leaders knowledge and understanding about Islam and the differing Halal standards required by the different countries is compounded by the lack of understanding of the schools of Islamic jurisprudence. Muslims are governed by the holy scriptures of Qur’an, Hadiths and different schools of Islamic jurisprudence (*mazhabs*) which implements slightly dissimilar Halal standards.

Shari’ah, a system of morals to guide Muslims’ actions and behaviour, and *halal*, is an important part of it. However, *halal* is also part of a codified system of *shari’ah* law. Whilst

Halal guidelines are considered by observant Muslims to be religious obligations, in secular non-Muslims majority countries, *halal* is not part of any legal laws and regulations of that particular country which in itself presents a conundrum.

Some products are not easy to classify as *halal* or *haram*, as they fall into the category of *makruh* (questionable), which are generally avoided by pious Muslims. How each halal certification agency treats *makruh* ingredients differ depending on the *mazhabs* being followed and their local custom. Due to the differing elucidations of the Qur'anic verses by these *mazhabs*, many countries execute different laws and rules of *shari'ah* and civil laws, regulations, code of conducts, and best practices which affects the *halal* requirements.

For example, it is critical that *halal* cosmetics be prepared in accordance with Islamic rules and *halal* integrity maintained throughout the supply chain. Determining if a product is *halal* is challenging especially if it involves a complex collection of ingredients and has numerous processes which are *makruh* (Al-Mazeedi et al., 2013). Perhaps, a large number of ingredients may come from either animal or plant sources and those that come from animal by-products can be *haram* if their source is suspect. All vegetable products are *halal*, but once they are contaminated with unlawful ingredients or processing aids or contain intoxicating substances, they are then declared *haram* (Riaz, 2010).

Halal assurance system and *halal* value supply chain makes it mandatory that everything related to product preparation, handling, and packaging must be *halal* thereby guaranteeing *halal* integrity. Thus, *halal* verification and certification must be mobilised to measure *halal* integrity at all stages of production, to ensure zero contaminated with non-halal materials or processes, involves rigorous diagnostic procedures (Nakyinsige et al., 2012) and empowerment through Industry 4.0 technology can assist in achieving this goal.

Hence, coupled with the differing rules governed by the *mazhabs* and complexity of production process and ingredients, industry players find the *halal* export standards and policies rather intricate to navigate. Having one *halal* standard that is recognised by all importing countries and all Muslim communities remains challenging, though use of blockchain technology might help to explain matters and increase harmonisation of the *halal* standards across time. South Korea's strength in IoT may harness untapped economic advantages in this area, in the future. With the dawn of Industry 4.0, many internet platform providers have used blockchain technology to create mobile apps which provide information to assist modern Muslims lead a faith based lifestyle anywhere at anytime. It will undoubtedly support stakeholders in conducting their businesses and personal affairs, thereby better utilisation of resources while imparting knowledge and understanding for Muslims and non-Muslims.

Cultural misunderstanding in the entertainment industries

Halal is a value proposition that exists within key elements of the intersecting industry sectors. Abu Hurairah r.a. narrates that Prophet Muhammad (PBUH) mentioned (the instance of) a man traveling on a long demanding journey, extremely upset and distraught, pleading to AlMighty Allah, "O Lord! O Lord!" but, his food from dubious sources, his drink from impermissible source, his clothing from prohibited source and thus he is nourished with *haram*. How then will his prayers be accepted" (*Muslim, At-Tirmidhi, v. 10, h. 40*). The hadith reminds that *halal* is comprehensive as it covers a larger scope than just consumption of lawful food, drinks and use of clothes, but attention must also be directed towards the *shari'ah* compliance across the Halal Value Supply Chain and Halal Ecosystem; or their prayers will not be accepted by Allah the Al-Mighty.

Many Korean companies especially the food, cosmetics and travel agencies are faced with a lack of understanding about what Islam or *halal* means due to the misinformation fed by the media; especially the imperialist Western media who have created a stereotyped Muslims that relate to violence, hate and against human rights. This is in stark contrast to the actual characteristics of a true Muslim, who understands that their faith can work in harmony with the world. These inconsistent depictions has led South Koreans to have conflicting or serious lack of understanding about what Islam or *halal* means.

One Korean broadcasting company, MBC insentitively aired a drama series “Man Who Dies to Live”, that created an uproar amongst Muslims worldwide. In retaliation, some attempts were made by Muslims internationally to boycott Korean products. Misunderstandings such as these undermine the trust towards *halal* Korean products and negates the attempts made by companies wanting to instill *halal* standards culture within their own company.

Furthermore, proactive actions taken by the South Korean government to increase the number of Muslim friendly restaurants and categorising them as *halal* certified (those accredited by Halal Certifying body), self certified (certified as *halal* by Muslim restaurant owners), Muslim friendly (restaurants that sell *halal* food but also serve alcohol) and pork free (food prepared is free of pork-based products); have been viewed misleading by majority of Muslims. In addition, attempts by Muslims to retrieve information about the *halal* integrity of Korean products and services from the internet, are hampered by Korean websites which are mostly in the Korean language thereby a potential deterrent.

During the Halal Food Festival held during the Halal Trade Expo 2018 in Seoul, Mr. Park Jin Ho, Deputy Director for South-East Asia and Middle East of Korea Tourism Organisation (KTO) announced that South Korea intends to strengthen its halal food segment and promotional activities to tap the ever-growing Muslim tourism market (The Malaysian Reserve, Oct 2018). Despite this vast economic potential opportunity and the diligent initiatives done by the Korean government to meet Muslim consumers needs, South Korea has not reached it’s target to be the top Muslim destination amongst non-Muslim countries market.

To date, Korea Exposé reported that Mr. Jang Geon, director of Korean Institute of Halal Industry, declared that more than 400 companies and 800 products have received halal certification in South Korea (Korea Exposé, 2018). These figures is considered to be nominal when compared to other countries. There are only two *halal* certifying bodies in South Korea; Korea Muslim Federation and Korea Halal Authority, and both lack global credibility compared to Malaysia’s JAKIM, Singapore’s MUIS, and the UAE’s ESMA.

Business as the motivating driver for experiential learning

Since the time of Prophet Muhammad (SAW), Muslims have participated in international trade and exchange of cultures. The Holy Prophet was an exemplary trader and encouraged his companions and the community to engage in business for the sake of societal well-being, in trying to achieve God’s favour. Even after the death of Prophet Muhammad’s, many of his followers travelled to various places of the world, such as Iraq, Iran and Jerusalem and distant countries in the West such as Morocco and Spain; India, China and Southeast Asia in the East; Central Asia, specifically Uzbekistan and Khazakstan, in the North, and Africa in the South; to engage in trade to spread the word of Islam.

Historical documents and coins from the seventh to eleventh centuries excavated from many different parts of Russia, Finland, Sweden, Norway, British Isles and Iceland demonstrated the extensive influence of Islamic trade, even in Europe (Chapra, 1995). These

exceptional historical examples reveal that Islam was spread, not by just preaching the word of Islam or by war, but by self-reflection through experiential learning that occurred during business transactions conducted between Muslim merchants with non-Muslims merchants.

Transaction, entrepreneurship, efficient and effective use of financial capital, talents, material and time resources, is the basis of the principle of Islamic commerce. Allah the All Mighty says: “O ye who believe! Eat not up your property among yourselves in vanities: But let there be amongst you traffic and trade by mutual good will.” (Qur’an 4:29). Article by Faizal et al. (2013), indicate that a Muslimpreneur must practice high moral values; care for both the society and environment; and show concern for the welfare of all regardless of race and religion.

Two famous proponents of experiential learning, Confucius (479BC) and Sophocles (400BC) were respectively quoted to say “I hear and I forget, I see and I remember, I do and I understand” and “One must learn by doing, for though you think you know it - you have no certainty, until you try”. However the participant must be motivated or have intense reason to learn, and consequently actively participate in gaining experience while doing (Moon, 2004). In this case, the businessman would be motivated to learn as demand for halal product promises profitability and sustainability. Thus, whilst engaging in the implementation of halal practices they ultimately gain understanding about halal and Islam. In 2011, Felicia Patrick defined experiential learning as "learning through reflection on doing". Experiential learning (Figure 1) requires immersiveness, where participants gain knowledge by undergoing an actual experience that involves analysis, initiative, and involvement (Stavenga de Jong et al., 2006).

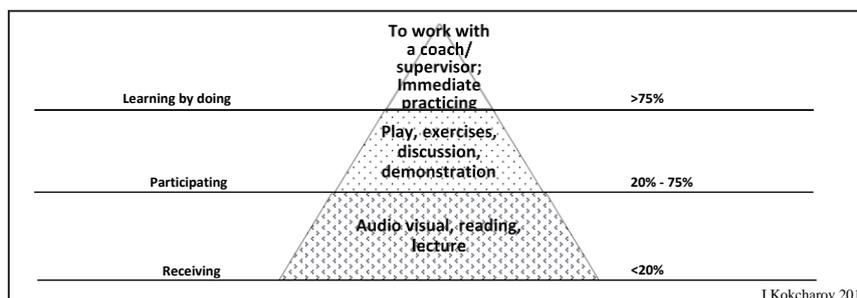


Figure 1: Adaptation from Learning Pyramid

According to Kolb’s Learning Model, (Figure 2) experiences can elevate learning potential as throughout the learning process the learner actively practice problem solving skills, makes decisions, and become responsible and accountable to his and his subordinates’ actions. This in turn will cause the learner to reflect on his actions which ultimately lead to analysis, critical thinking, and synthesis (Schon, 1983; Boud, Cohen, & Walker, 1993).

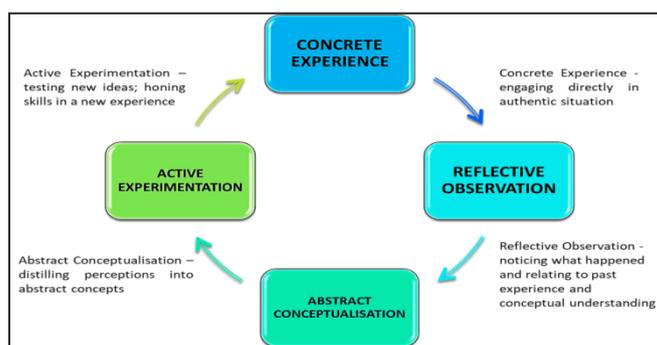


Figure 2. Adapted from Kolb’s Learning Model

An article by Norman Brook (2018) included Race's Learning Model (Figure 3) based on experiential learning, whereby the latter is made up of a system of interconnecting situations that “ripples” and interact with each other. Subsequently, constantly participating in Islamic business dealings and observing Islamic etiquette, could create a spreading, pervasive, and unintentional effect or influence known as ‘*ripple effect*’ within the society and indirectly awaken need to acquaint oneself with Islam.

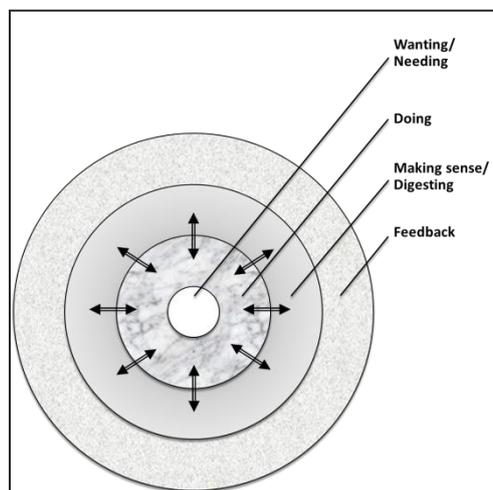


Figure 3. Adapted from Race's Ripple Model of Experiential Learning

Multi racial multi religion Malaysia as global halal hub

Malaysia is a democratic multi-racial country consisting of Malays 50%, Chinese 23%, Indians 11% and other minority groups. While Islam is the nation's state religion, freedom of religion is constitutionally guaranteed, thus explaining the presence of 60% Muslims, 20% Buddhists, 10% Christians and 6% Hindus making up the 32 million population.

A pioneer in Islamic finance and *halal* economy three decades ago, the Malaysian government identified Halal economy as a business sector that is rewarding, viable and an opportunity to expand businesses beyond their shores, that resulted in Malaysia's Islamic economy accelerating at a much faster rate than wealthier Muslim countries. It provided full support towards establishing the *halal* industry as early as 1974, when the Research Centre for the Islamic Affairs Division began issuing a standardised *halal* certification. Subsequently, the setting up of Malaysian Islamic Development Department (JAKIM) and Halal Development Corporation (HDC) proved to be successful in aiding Malaysia to be recognised as an international Halal hub and paved the way for *halal* stakeholders to make a large imprint on the global *halal* scenes. An equally important contributory factor that can be attributed to this achievement, is its trade-friendly policy to both Muslim and non-Muslim countries. Global Islamic Economy Indicator (GIEI 2018/2019), reported that Malaysia has emerged as overall leader in Islamic economy for 5 consecutive years; possessing an enviable Halal ecosystem involving *halal* standards, reinforced by an extensive network of *halal* hubs, and established *halal* products manufacturers that is backed by a strong Islamic finance industry and investor ecosystem.

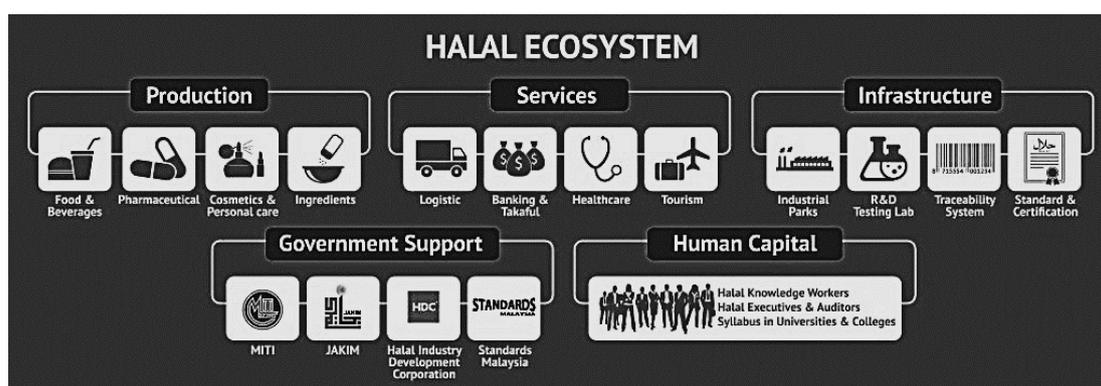
Halal ecosystem in Malaysia

Ideally, a Halal ecosystem must be set within a network of businesses, institutions, government agencies and non-government organisations that interact with each other continuously in a seamless and dynamic manner. The integrity of the *halal* supply chain and traceability is heavily dependent on the establishment of a robust benchmarking of the critical factors in the *halal* ecosystem, and in garnering public trust. This allows for methodical and comprehensive valuation of the Halal ecosystem.

Today, Malaysia exemplifies a country that support the growth of global *halal* ecosystem, which encompasses standards and regulations, infrastructure, logistics and human capital development (Figure 4). The Halal ecosystem in Malaysia is dynamic and evolving as apart from the Halal industry and Islamic finance sector, it also encompasses related standards and regulations, infrastructure, logistics and human capital capacity development. The main agencies involved include:

- i. Malaysian Islamic Development Department (JAKIM) deals with issues regarding Halal certification, administration and Syari'ah;
- ii. Standards Malaysia, the agency under the Ministry of Science, Technology and Innovation develops halal standards and acts as the national accreditation body; and
- iii. Halal Industry Development Corporation (HDC) focuses on developing, promoting and internationalising of the country's halal industry.

Malaysia Halal Council (MHC) which also includes the Ministries of Health; Agriculture and Agro-based Industry; Domestic Trade, Co-operatives and Consumerism; and Education, then consolidates, reconciles, and resolve issues of JAKIM, Standards Malaysia and HDC to develop halal in a more integrated and holistic manner. The arrival of Industry 4.0 has also been employed with the the introduction of Malaysia Halal Certification System (MyeHalal) in 2014 and Malaysia International Halal Authorities and Bodies System (MyIHAB) in 2018, the latter is a comprehensive centralised database system that integrate online registration and management system to further empower the halal industry, and e-book that seeks to harmonise *halal* standards (New Straits Times, 2017).



Source: Adapted from Halal Development Corporation web page

Figure 4. Malaysia Halal ecosystem

In terms of trade, Malaysia has undertaken important initiatives to further develop international *halal* industry including initiating the establishment of a world body that unifies *halal* standards thereby benefiting all *halal* stakeholders. Meanwhile constant efforts are

made to galvanise and enhance knowledge and skills of talents of stakeholders across all sectors including International Halal certifying boards in order to facilitate Halal application, assurance monitoring and maintenance. In the home ground, the Malaysian government has encouraged public and private universities and colleges to introduce Halal programmes in their curriculum.

Findings

It is relatively clear from the above discourse that there is indeed gaps in knowledge and understanding in South Korea about Islam and *halal*. These include:

- i. lack of sensitivities towards feelings of Muslims in terms of their needs and desires with regards to food and entertainment which will curtail their business expansion to Muslim countries.
- ii. introducing confusing categories of *halal* or Muslim friendly eateries, eventhough their intention initially was to assist and attract Muslim tourists.
- iii. inadequate number of *halal* certifying agencies and lack of *halal* certifying bodies that receive due respect from the international Muslim forum.
- iv. absence of effort in providing accurate knowledge and understanding about Islam and *halal* by government bodies as per initiated by other non-Muslim nations.
- v. no government body that is responsible and accountable towards controlling, monitoring and communicating about various aspects on Halal to stakeholders and consumers.

Future research

Areas yet to be researched include:

- i. Study on how Industry 4.0 can be harnessed to impact on *halal* economy especially for marketing activities/programs/strategies.
- ii. Study about opportunities provided by governmental agencies to stakeholders and constraints faced by them in obtaining Halal certification.
- iii. Study of the Viable System Model framework on *halal* industry to acquire an overall view of the governance, monitoring and communications network between all stakeholders including government agencies, business sector and consumers.

Conclusion

South Korea need to seriously curb her declining economic growth rate, by capitalising on her Hallyu culture popularity and match it with the budgeoning *halal* industry; including understanding and respecting Islamic culture and *halal* requirements of affluent Muslim millennials, who believe that their identity encompasses both faith and modernity. Rather than just taking reactionary steps to capture this sustainable and expanding market, South Korea should do more than just urge her netizens to welcome Muslim tourists to her shores by occasionally providing dubious certified *halal* food and *halal* cosmetics. Instead, South Korea should extend support to companies who want to upgrade their processing plants to implement Halal Assurance System and enable them to obtain *halal* certification, similar to

the backing she gave to *chaebols* in 1960's and the Hallyu entertainment showbusiness industry 15 years ago.

This includes creating greater awareness to her citizens about Islamic culture and *halal* requirements, as what Japan initiated to prepare its citizens for the 2020 Olympics, and establish more globally recognised *halal* certifying bodies plus offering *halal* training programmes conducted by certified Muslim professionals. In this manner, South Korea will ultimately achieve its aspiration to create a society who have greater knowledge and understanding about Islam and *halal*, through experiential learning. Capitalising on the popularity of Hallyu culture, may help to expand not only their fandom to Muslim majority countries, but also gaining acceptance of their products and services, among global Muslims. Emulating Malaysia's approach of cultural and diverse races and religion sensitivities and having an efficient Halal ecosystem is a strategy for justifiable wealth creation of Halal economy and Hallyu Culture through Islamic knowledge and understanding.

It is hypothesised that by employing the *halal* standards in producing and managing *halal* products and services, industry players will ideally gain experiential knowledge about *halal* and Islam and their knowledge in turn will ripple pervasively across society. Future research can also include Viable Systems Model to be built for the *halal* system framework in South Korea. Thereby create a sustainable Halal ecosystem, greater tolerance and understanding about Islam amongst South Koreans, and towards sustainable social and economic well-being.

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