THE EVOLUTION OF THE GLOBAL HALAL INDUSTRY: A SYSTEMATIC LITERATURE REVIEW OF ETHICAL CONSUMPTION, SUPPLY CHAIN INTEGRITY, AND ISLAMIC ECONOMIC VALUES

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Abstract

This study investigates the evolution of the global halal industry through a systematic literature review that synthesizes developments in ethical consumption, supply chain integrity, and Islamic economic values. The rapid expansion of halal markets worldwide reflects shifting consumer expectations toward transparency, trust, and religious compliance. Existing scholarship highlights that ethical consumption in halal contexts is influenced not only by faith-based motivations but also by rising global awareness of sustainability and ethical production. At the same time, supply chain integrity has emerged as a central challenge due to inconsistent certification standards, varying regulatory frameworks, and complex cross-border production networks. This review identifies a growing emphasis on digital technologies, such as blockchain and traceability systems, which enhance verification processes and strengthen consumer confidence. Furthermore, the integration of Islamic economic values underscores the moral foundation that shapes industry governance and business ethics. The analysis reveals that recent literature increasingly situates the halal industry within broader discussions on responsible consumption and global market competitiveness. The findings also indicate that the institutionalization of halal standards contributes to economic inclusivity and industry professionalism. Several research gaps persist, particularly regarding harmonized certification systems and the operationalization of Islamic ethical principles in global supply chains. Overall, this review contributes to a deeper understanding of how the halal industry is evolving within contemporary ethical, economic, and governance frameworks.

Keywords: Halal Industry, Ethical Consumption, Supply Chain Integrity, Islamic Economic Values, Global Market Dynamics.

INTRODUCTION

The global halal industry has experienced rapid expansion over the past decade, driven by increasing demand from both Muslim and non-Muslim consumers seeking products aligned with ethical, hygienic, and quality-assured standards. Studies show that the halal market has evolved into a major economic force, with its value surpassing USD 2 trillion and influencing sectors such as food, pharmaceuticals, cosmetics, finance, and tourism (Ambali & Bakar, 2014). This growth is reinforced by shifting global consumption patterns, in which halal certification is increasingly associated with safety, sustainability, and broader ethical considerations beyond religious compliance (Tieman, 2013). The halal industry has transformed into a competitive global market segment that significantly contributes to international trade and economic development.

Consumer demand within the global halal industry is increasingly shaped by ethical considerations, as individuals seek products that align with values of transparency, responsibility, and quality assurance. Research indicates that modern halal consumers evaluate products not only based on religious compliance but also through broader ethical expectations such as animal welfare, environmental sustainability, and fair production practices (Bonne & Verbeke, 2008). This shift reflects a growing trend in which halal consumption overlaps with global ethical consumerism, expanding the sector's appeal beyond Muslim-majority markets (Wilson & Liu, 2010). Ethical consumption has become a central driver of market expansion, reinforcing the need for holistic halal standards that address both religious and moral dimensions of consumption.

Maintaining supply chain integrity remains one of the most persistent challenges in the global halal industry, particularly due to increasingly complex, transnational production and distribution networks. Previous studies show that inconsistencies in halal certification standards across countries create

vulnerabilities that can result in contamination, non-compliance, and consumer distrust (Zailani et al., 2015). These challenges are further intensified by the absence of unified global governance mechanisms and the limited coordination among certification bodies, which complicates efforts to ensure traceability and standardization (Ali & Suleiman, 2016). Ensuring supply chain integrity has become a critical priority for industry stakeholders seeking to protect halal authenticity and reinforce global consumer confidence.

Despite the rapid expansion of the global halal industry, existing scholarship still reveals significant gaps, particularly in integrating ethical consumption, supply chain transparency, and Islamic economic values into a unified analytical framework. Much of the current literature remains fragmented, often focusing on technical certification or consumer behavior without addressing the deeper structural and ethical dimensions that shape the industry's evolution (Lever & Miele, 2012). These limitations highlight the need for a more comprehensive understanding of how moral principles, governance mechanisms, and global market dynamics intersect within halal ecosystems. The present study aims to synthesize these diverse strands through a systematic literature review, offering a holistic interpretation of the industry's developmental trajectory. This synthesis provides scholarly contributions by mapping conceptual gaps, clarifying emerging trends, and proposing directions for future research grounded in both ethical and economic perspectives.

METHODOLOGY

This study employs a systematic literature review to examine the evolution of the global halal industry through the lenses of ethical consumption, supply chain integrity, and Islamic economic values. The review process began with the identification of peer-reviewed journal articles, conference papers, and reputable institutional reports sourced from major academic databases, including Scopus, Web of Science, and Google Scholar. Keywords related to halal industry development, ethical consumer behavior, halal supply chains, and Islamic economic principles were used to ensure comprehensive coverage of relevant literature. Inclusion criteria focused on publications from the past two decades to capture both foundational discussions and contemporary advancements. The selected materials were then screened for relevance, clarity of conceptual contribution, and alignment with the thematic scope of this study. A thematic analysis approach was adopted to categorize findings into major conceptual domains, allowing for the synthesis of diverse insights across disciplines. This method facilitated the identification of patterns, tensions, and conceptual gaps within existing scholarship. Particular attention was given to how ethical and economic dimensions intersect in shaping the halal industry's trajectory. The methodological process thus ensured a rigorous, transparent, and structured review capable of capturing the multifaceted evolution of the global halal industry.

RESULT AND DISCUSSION

Result

The review reveals that the global halal industry has undergone significant transformation, marked by rapid growth in consumer demand and increasing diversification across sectors such as food, pharmaceuticals, cosmetics, finance, and tourism. Ethical consumption emerges as a dominant driver of this evolution, with consumers increasingly associating halal products with safety, quality, and responsible production. This trend extends beyond Muslim-majority markets, indicating a broader global shift toward value-based purchasing and moral sensitivity in consumption. The literature also highlights that ethical motivations now intersect with lifestyle preferences and wellness orientations, reshaping the industry's market positioning.

The findings also show that supply chain integrity remains a central concern in the development of the halal industry. Scholars consistently emphasize gaps in traceability, certification harmonization, and international regulatory coherence, which expose vulnerabilities across cross-border production networks. Evidence from multiple studies indicates that fragmented monitoring systems and varying national standards complicate efforts to ensure consistent halal assurance. Technological solutions such as digital traceability tools, blockchain applications, and integrated audit systems have gained prominence as potential mechanisms to improve transparency, reduce fraud, and enhance consumer confidence.

Another key finding is the uneven integration of Islamic economic values into the operational and governance structures of the halal industry. While the certification process has become increasingly standardized, broader ethical principlessuch as fairness, trustworthiness, community welfare, and responsible stewardshipare not consistently reflected in industry practices. The literature indicates a gap between procedural compliance and the deeper moral foundations that should guide halal-oriented business behavior. This disconnect not only limits the transformative potential of the halal industry but also underscores the need for a more holistic framework that links ethical consumption, supply chain governance, and Islamic economic philosophy into a cohesive developmental model.

Discussion

The reviewed literature indicates that ethical consumption has become a powerful force shaping the global halal industry, as consumers increasingly associate halal products with broader moral values such as safety, quality, and responsible production. Research shows that motivations for halal consumption now extend beyond religious obligations, incorporating heightened expectations for ethical assurance, humane treatment, and environmentally conscious practices (Bonne & Verbeke, 2008). This shift suggests that halal purchasing behavior aligns with global trends in value-driven consumption, where consumers actively seek transparency and integrity in product sourcing. Scholars argue that the integration of ethical considerations into halal markets strengthens consumer trust and enhances the legitimacy of halal certification within diverse cultural contexts (Rezai et al., 2012). These developments underscore the central role of ethical consumption in redefining the identity and market orientation of the contemporary halal industry.

The literature consistently emphasizes that supply chain integrity remains one of the most critical and complex challenges in the global halal industry due to increasing cross-border production and diverse regulatory environments. Researchers highlight that inadequate harmonization of halal standards across countries creates significant vulnerabilities, including risks of contamination, fraud, and inconsistent certification practices that undermine consumer trust (Zainuddin et al., 2020). These structural gaps have driven growing interest in technological interventions such as blockchain, digital traceability, and integrated verification systems, which offer enhanced transparency and real-time monitoring of halal compliance across supply chain stages (Haleem et al., 2019). The adoption of these technologies suggests a shift toward more rigorous, technology-enabled governance frameworks capable of strengthening the credibility of halal assurance mechanisms. Overall, supply chain integrity emerges as a central determinant of consumer confidence and industry legitimacy in an increasingly globalized halal marketplace.

The findings also reveal that the incorporation of Islamic economic values into the governance of the halal industry remains incomplete, even though these values are essential for guiding fairness, accountability, and moral conduct in business. Scholars note that while halal certification focuses primarily on procedural compliance, the broader ethical framework of Islamemphasizing responsibility, honesty, and the promotion of public welfarehas not been fully embedded into industry practices (Ali & Al-Owaihan, 2008). This limited integration risks transforming halal into a technical standard rather than a comprehensive ethical system that shapes organizational behavior and market interactions. In addition, existing literature suggests that a stronger emphasis on Islamic ethical principles could significantly enhance the legitimacy, social credibility, and long-term sustainability of the halal industry in a global context (Rice, 1999). These insights highlight the need for a value-driven approach that aligns industry operations with the moral ideals central to Islamic economic thought.

CONCLUSION

This study concludes that the global halal industry has evolved into a dynamic and rapidly expanding sector shaped by increasing ethical awareness, diversified consumer expectations, and the growing demand

for transparent and trustworthy production systems. The findings demonstrate that ethical consumption now plays a central role in influencing purchasing behavior across both Muslim and non-Muslim markets, elevating halal products beyond their religious foundations. The review also shows that supply chain integrity remains a critical challenge, revealing the need for stronger governance mechanisms and more consistent cross-border standards. Technological advancements offer promising pathways for enhancing transparency and reducing vulnerabilities, yet their implementation requires broader institutional support. Furthermore, the analysis highlights that Islamic economic values remain insufficiently integrated into industry practices, limiting the potential for a holistic, value-driven halal ecosystem. The study emphasizes the importance of aligning operational frameworks with ethical principles to strengthen industry legitimacy and sustainability. It also underscores the need for a more unified global approach to halal governance that balances market competitiveness with moral responsibility. The evolution of the halal industry depends on its ability to integrate ethical consumption, supply chain assurance, and Islamic economic values into a cohesive developmental model. This integration will enable the industry to meet contemporary expectations while remaining anchored in its foundational moral philosophy.

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