

A Convention for International Trade (Based on Islamic Sufi Teachings)

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Abstract

Purpose: This paper aims to propose a procedure to remove international trade barriers globally. Trade is confronting various barriers in the present world and this is due to the policies of governments to protect interests of their own citizens. Experience shows that trade barriers end up with incurring losses for both sides (traders) in practice, but a look at history of polemics on trade barriers removal in WTO shows that countries are unable to overcome the obstacles they have created. Trade partners understand that removal of counter barriers is advantageous for both parties. In the meantime, being concerned of other party's response impedes the benefits of free trade for all parties.

Design/methodology/approach: This proposition is based upon Islamic Sufism teachings. The propounded principles and goals are in accordance with high understanding of social and economic subtleties of humankind's life. We try to form and formalize Islamic Sufi teachings to establish a base for compiling new international convention that facilitates international trade in all aspects.

Findings: To facilitate and promote international trade relations in short run, interested countries may accept a convention to remove all trade barriers among themselves all at once.

Research limitations/implications: The proposed convention does not go against General Agreement on Tariff and Trade (GATT) and World Trade Organization (WTO) but it is a complementary to both.

Practical implications: The proposed principles are actually shortcuts to what WTO may access in far futures.

Social implications: Islamic Sufism teachings can lead us to solve current international problems.

Originality/value: WTO has taken important steps to facilitate international trade. To reach the main goal of trade liberalization of WTO, a shortcut solution is proposed here.

Keywords: International Trade, World Trade Organization (WTO), Trade, International Convention, Theosophy, Mysticism, Sufism, Islam

Paper type: Conceptual paper

Introduction

All economists agree that trade has an undeniable importance in economic development and growth. International trading causes international division of labour and specialization among

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countries and promotes international communication. Whilst important steps have been taken in trade facilitation, history of international trade negotiations shows that WTO procedures are time consuming, especially for removal of trade barriers as the WTO's main goal. However, the pace of achieving WTO's goals is very slow and gradual that hinders humankind development and progress. It is now feasible to practice an efficient method to promote international trade in less than a decade, something that will possibly be achieved by WTO's arrangements in centuries. A solution to implement free trade could be established through an international convention in which signing members agree to apply some specific rules concerning other parties. Accordingly, countries can examine progressive development by accepting the convention.

Despite the past performance of the so-called "Islamic governments", since the beginning of Islam, there has been no clue about the Prophet Mohammad's economic performance (PBUH) whether he had prevented importing goods or levying trade tariff, trying to prohibit import. Of course, there have been some import duties (*Oshoor* and *Mokoos*), during the Rashidun, Omayyad and Abbasid Caliphates, but some customs duties were adapted from Iran and Rome and not from Sharia rules. The Holy Quran emphasizes that: **"O children of Adam! Wear your beautiful apparel at every time and place of prayer: eat and drink, but waste not by excess, for Allah loves not the wasters. Say, who has forbidden the beauties (gifts) of Allah, which he has produced for His servants, and the things, clean and pure, (which He has provided) for sustenance? Say: they are, in the life of this world, for those who believe, (and) purely for them on the Day of Judgment. Thus, we explain the signs in detail for those who understand. Say: the things that my lord has indeed forbidden are: shameful deeds, whether open or secret; sins and trespasses against truth or reason; assigning of partners to Allah, for which he has given no authority; and saying things about Allah of which you have no knowledge"**.² The economic interpretation of this verse is that imposing import restriction in any forms of general or partial barriers, and by levying tariff and nontariff barriers are not legal in Islamic rules. The same interpretation is true about exportation because the buyers are importers.

The same interpretation can also be derived from this verse: **"O you who believe! Do not make the good things that Allah has made lawful for you as unlawful, and commit no excess, for Allah loves not those gone to excess. Eat of the things, which Allah has provided for you, lawful and good; but fear Allah, in whom you believe"**.³ The word "eat" in this verse can be interpreted easily as "consumption", and the phrase "commit no excess" is interpreted as "do not abstain from legal (halal) enjoyment". This means that if you forbid the use of lawful goods, you are oppressor and therefore, do not do that, and use and consume commodities that God has made them legitimate for you. In other words, enacting commercial laws to prevent international trade is regarded as a kind of oppression to human rights, which is forbidden according to this verse. We shall consider that imposing tariff is different from levying income tax and their economic incidences are generally different.

It might be said that, all World Trade Organization (WTO) arrangements and regulations are around achieving this Islamic rule to remove trade barriers from international scene. Moreover, the trade behaviour should be transparent and far from tricks to remove many current globally economic problems relating to non-optimal allocation of resources and inefficiencies. Islam posed the barrier-free international trade in 14 centuries ago.

²-The Quran, Al-Aaraf, 31-33:

«يا بَنِي آدَمَ خُذُوا زِينَتَكُمْ عِنْدَ كُلِّ مَسْجِدٍ وَكُلُوا وَكُلُوا وَاشْرَبُوا وَلا تُسْرِفُوا إِنَّهُ لا يُحِبُّ الْمُسْرِفِينَ. قُلْ مَنْ حَرَّمَ زِينَةَ اللَّهِ الَّتِي أَخْرَجَ لِعِبَادِهِ وَ الطَّيِّبَاتِ مِنَ الرِّزْقِ قُلْ هِيَ لِلَّذِينَ آمَنُوا فِي الْحَيَاةِ الدُّنْيَا خَالِصَةً يَوْمَ الْقِيَامَةِ كَذَلِكَ نُفَصِّلُ الْآيَاتِ لِقَوْمٍ يَعْلَمُونَ. قُلْ إِنَّمَا حَرَّمَ رَبِّي الْفَوَاحِشَ مَا ظَهَرَ مِنْهَا وَ ما بَطَّنَ وَ الْإِثْمَ وَ الْبَغْيَ بِغَيْرِ الْحَقِّ».

³- The Quran, Al-Maida, 87-88:

«يا أَيُّهَا الَّذِينَ آمَنُوا لا تُحَرِّمُوا طَيِّبَاتِ ما أَحَلَّ اللَّهُ لَكُمْ وَ لا تَعْتَدُوا إِنَّ اللَّهَ لا يُحِبُّ الْمُعْتَدِينَ وَ كُلُوا مِمَّا رَزَقَكُمُ اللَّهُ حلالاً طَيِّباً».

International trade barriers are being diversified in the present days, and governments use them for supporting their own citizens. Although humankind realized that trade counter barriers are just distribution of loss for both parties, but history of international talks to remove trade barriers in the last century shows that countries cannot remove the barriers they have created. Certainly, traders have understood that barrier removal is advantageous for all parties; but being concerned of other party reaction impedes the benefits of free trade for all parties.

In this regard, while discussing theoretical and practical developments in facilitating international trade, we proceed to propose a base for an international convention. While interested countries accept the convention, they make a commitment to remove their trade barriers all at once. This convention is not against GAT, GATT and WTO but complementary to them and can be annexed as a complementary agreement to WTO general agreement.

Trade, an Islamic Sufi Theosophy Approach

Islam proposes consultation to select the best choice. Consultation is important for getting consensus. By this concept, Islam concurs to solve international problems via consultation. In other words, consultation is a good way to obtain different viewpoints, but should not neglect other party's rights, or outfight the others through conspiracy. Consultation is to increase isotropy and agreement in discovering the truth and it should not scratch fairness and justice or destroy other's rights.

Several clear verses chastise the followers of passions who negate justice and fairness.⁴ The Holy Quran orders: **“Conduct their affairs by mutual consultation”**.⁵ This is a general rule in legislation that authorizes decision-making through consultation. Rational general rule and customs limitations are obvious in this method. All measures can be examined through this basic rule and reasonable measures can lead to making decisions and rules. Principally, theosophy of legislation of Sharia commandments for some cases and leaving aside many others is due to this reason that obligations and prohibitions of many partial commandments in different periods of time and places should be different. Thus, not all the cases and subjects were legislated by the Prophet (PBUH); and making decisions about them were left to people and their right minds and common sense to consider different conditions and situation of society into consideration, so that the best expedients could be adopted. The Holy Quran says⁶ **“It is He who has made the earth manageable for you, so traverse you through its tracts and enjoy of the sustenance which He furnishes: but unto Him is the resurrection”**. Albeit, the phrases of this verse do not refer to jobs and occupations, but it considers the advantages of lands in favour of all people without any discrimination among different races, religions, ethnicities, etc. Production and trade of some commodities (as unlawful and detestable) are exceptions in Islamic jurisprudence. Obtaining unlawful income is prohibited. For example, yields through cheating, fraud, theft, transaction of unlawful commodities, proxenetism and so on are prohibited. Some careers are known as detestable (*makrouh*) to discourage the people to be less involved. These matters include beggary, butchering, hunting, funeral directing and similar jobs. In other cases, inhibitor of consumption and employment are blamed by God punitively, and says to His Prophet:⁷ **“Say: who has forbidden the beauties (gifts) of Allah, which He has produced for His servants, and the things, clean and pure, (which He has provided) for sustenance?”**. Economically speaking, no

⁴- The Quran, Al-Nisa: 135: **“Follow not your passions to oppress justice”**. «فَلَا تَتَّبِعُوا الْهَوَىَٰ أَنْ تَعْدِلُوا».

⁵- The Quran, Al-Shura, 38: «وَأْمُرْهُمْ شُورَىٰ بَيْنَهُمْ».

⁶- The Quran, Al-Molk, 32: «هُوَ الَّذِي جَعَلَ لَكُمُ الْأَرْضَ ذَلُولًا فَامْشُوا فِي مَنَاكِبِهَا وَكُلُوا مِنْ رِزْقِهِ وَإِلَيْهِ النُّشُورُ».

⁷- The Quran, Al-Aaraf, 32: «قُلْ مَنْ حَرَّمَ زِينَةَ اللَّهِ الَّتِي أَخْرَجَ لِعِبَادِهِ وَ الطَّيِّبَاتِ مِنَ الرِّزْقِ».

prevention and prohibition should be established in processes of production, transportation, trade and consumption of goods that God has offered them as clean to us.

Legislation in prohibition of permissible (*mobah*) activities is just allowed in realm of Islamic Sharia and not more. This is based on the cited verses of Al-Maida surah. In this regard, many financial operations and policies that restrict people's rights do not comply with the Sharia. Moreover, as it can be understood from the cited verse of Al-Araf, all people are guests of God on the earth and nobody has the right to prohibit His guest from consuming clean goods. Accordingly, many current laws and regulations are in contradiction to the text of Quran. Trade barriers are examples of this proposition.

The above verses indicate that whenever the state of cleanness for a commodity (considering all aspects) is verified, Islamic government has not right to prohibit its production, trade and consumption. Moreover, we can infer that Islam proposes free trade, and governments are not allowed to prohibit the importation of goods by any means such as tariff and nontariff barriers. However, trade barriers should not prevent the importation of goods into a country. Of course, tariffication sets no prohibition against importation but makes the goods expensive for consumers. Making commodities expensive is oppression to consumer rights and is prohibited by the verse:⁸ **"If you do it not, take notice of war from Allah and His messenger: but if you turn back, you shall have your capital sums: deal not unjustly, and you shall not be dealt with unjustly"**. This verse is about usury (*Reba*) but we can infer that selling a commodity more than its market price means oppression (unjustly), and the other party is dealt unjustly (oppressed).

Trades of those merchandizes that are antihuman and anti-environment are prohibited in Islam. Aim of Islam is exaltation of humankind and transcendence of human dignity. "Exaltation" in words of the Prophet of Islam means qualitative and quantitative elevation of human beings. As a rule, the ecosystem which human beings are parts of it should be protected to attain the cited goal. Therefore, attention of the Prophet of Islam has also been focused on protection of animals and plants as well. By careful attentiveness, and scrutinizing Islamic rules and regulations -even in minor and trivial cases- it could be understood that one of their aspects is to protect the rights of individuals in their interrelationships. In other words, each person is a constituent source of rights for other individuals of the society. For instance, "man" is the source of sexual pleasure for "woman" and vice versa. Conclusively, a man, as a member of ecosystem is not allowed to desist from marriage in general, to avoid breaching of the women's rights. Although there is no obligation concerning religious rules about this subject, but subtle religious commands hint us to its praiseworthiness that is almost emphasized the same as an obligation. It is written that:⁹ "Imam Sadiq (A) was asked why adultery is more serious than drinking wine? His Holiness said: The reason is because of spoiling the sperms and laying it in a place other than the position God said as sowing place". It is written in Fegh'h-ol-Riza that the Prophet said, "Sodomy is prohibited because of corruption and transgression of the women's rights that Almighty God encouraged. It is obvious that the reasons behind the unlawfulness of sodomy are violation of women's rights and generation decay and wasting the sperms. That is why, masturbation is also forbidden. Moreover, anal intercourse with women, bestiality and homosexuality are forbidden. If men were for each other, and women were for each other too, then human reproduction and generation

⁸- The Quran, Al-Baqarah: 279.

«فَإِنْ لَمْ تَفْعَلُوا فَأْذَنُوا بِحَرْبٍ مِنَ اللَّهِ وَرَسُولِهِ وَإِنْ تُبْتُمْ فَلَكُمْ رُؤُوسُ أَمْوَالِكُمْ لَا تَظْلِمُونَ وَلَا تُظْلَمُونَ».

⁹- His Excellency, Hajj Molla Ali Beidokhti Gonabadi Nour-Ali-Shah the second. (2003). The Zulfiqar, On the Prohibition of Smoking Opium. 4th edition, Haqiqat Publication, Tehran, pp. 75-76. <http://www.sufism.ir>

حضرت حاج ملا علی بیدختی گنابادی نورعلیشاه ثانی، ذوالفقار، در حرمت کشیدن تریاک، چاپ چهارم، انتشارات حقیقت، ۱۳۸۲،

<http://www.sufism.ir/>. تهران

would be exterminated". From the said religious legal provisions, it could be understood that regarding the rules of ecosystem, the life of every living creature is a source of right for the other ones; therefore, no one is authorized to violate or negate the others' rights because of his selfishness.

This subject is also extended to plantations and livestock. Therefore, protecting environment is considered as one of the issues of Islamic policy. In surah of Al-Baqarah, it is said: "**And when he turns away (from you) his effort in the land (earth) is to make mischief therein (corruption in the earth) and to destroy the crops and the cattle; and Allah does not like mischief-making**".¹⁰ That is to say, destruction of plantation and livestock is considered as corruption, which God does not like it. Destruction of plantation and livestock, whether directly or indirectly through destroying the environment, and/or creating imbalance in ecosystem are considered as corruption. In the said verse the ownership of plantation and livestock is not restricted and particularized to the Muslims, and by using the term "**land**" (earth), all the lands in the world is taken into consideration. This attitude represents so many rules to be observed by Islamic governments and Muslims. That is to say, they have no right to commit corruption in the planet of earth.

According to the said noble verse, "**corruption in the earth**" includes those activities that cause environmental -whether plants, animals or human beings- destruction. Extending the said subject to human beings shall propound other issues, which we are going to discuss in details. So many activities are causes of "**corruption in the earth**". Some of the activities included in this subject are: production and trade of harmful materials, poisonous chemicals and weapons to kill people, destruction of farms and livestock, production of mass-destruction (chemical, biological, nuclear, etc.) weapons, burial of nuclear wastes in the lands of undeveloped countries via plotting with their leaders and agents, production, consumption, exportation and importation of all kinds of raw and intermediate materials that harm and damage plants, livestock, mankind, and so on.

Generally, destroying food to gain material benefit is not allowed in Islam. As it was already mentioned, the different concepts of "**corruption in the earth**" indicate the point that destruction of farmlands, livestock and human generation are principally prohibited; and protection of environment is one of the most important issues in true Islamic policies. Generalization of the said subject, leads us to the following point, namely, Islamic governments and Muslim traders have no right to destroy a part of food substances, in order to increase food price. It has been observed that some countries such as the USA shipped some of their wheat product to the sea and emptied out into the ocean just to prevent wheat price decrease, whereas at the same time many people in Africa were starving to death. Even imposing prohibition in producing and cultivating grains just to prevent price decrease due to abandonment of grain supply is dubiety in Islam. At least to the victuals and subsistence of people of the earth, Islam does not authorize imposing restriction on their production, unless the required food for all individuals throughout the world is produced. Regarding the cited verse of Al-Baqarah, even those provisions that decrease farmlands and livestock productions are prohibited and regarded as a kind of "**corruption in the earth**". In the recent century, it has been observed that most governments through sophisticated tricks -and in earlier centuries through traditional tricks- by distributing and secret exportation of parasites, plant diseases and livestock pests have tried to damage other nation's farming and livestock productions. For instance the epidemic factors of outbreak of disease among livestock, birds and plants, such as rice stem-worm, fruit trees stem-worms, potatoes and summer crops' wireworm,

¹⁰- The Quran, Al-Baqarah, 205: «وَ إِذَا تَوَلَّى سَعَى فِي الْأَرْضِ لِنُفْسِهِ فِيهَا وَ يُهْلِكِ الْحَرْثَ وَ النَّسْلَ وَ اللَّهُ لَا يُحِبُّ الْفُسَادَ».

Al-Qasas, 77: "**Do not make mischief using your worldly power and wealth, since Allah does detest the corrupt**". It is also repeated in Al-Maida, 64.

«وَ لَا تَتَّبِعِ الْفُسَادَ فِي الْأَرْضِ إِنَّ اللَّهَ لَا يُحِبُّ الْمُفْسِدِينَ».

fungus infection of wheat, pathogenic fungus, aphids, and bacteria were secretly distributed by some states in other countries.¹¹ All of these instances are within the scope of this subject and are considered as prohibited actions in Islam.

Specific portions of Islamic government and Muslims' properties and incomes are specified to be devoted to the poor. At international level, the dispossessed people of all other states are also included in the plan. In the Holy Quran, it is said: "**And they consider a due portion of their wealth and property for the poor**".¹² The said "**due portion**" is known and defined in the wealth and property of the believers; for sure it is also known and determined in the public treasury of the Islamic government; and no matter where the needy and deprived persons are stationed, they are all (around the world) entitled and deserved to receive it. In a verse of surah of Al-Isra, concerning the extravagance and squandering, Almighty God says that "**Give to the relatives their due rights and also spend on the needy and the wayfarer, but do not squander your wealth wastefully. Verily, the squanderers are brothers of devils, and Satan was ungrateful to Allah**".¹³ In a comment on the said verse, His Excellency Sultan Ali Shah Gonabadi interprets "**squandering**" as¹⁴: "What is meant by "**squandering**" is to donate (food or money) to those who do not deserve or to donate to someone much more than what s/he deserves". In the said verse "extravagance" is prohibited which is the same as squandering, namely, donating to those who do not deserve or donating to those people more than what they need; because, donation without squandering is considered as economical (moderation). The term "**squander**" has a general meaning and includes the meaning of the term "extravagance", although sometimes it is used as its opposite meaning. Since the ruling of "**give due rights**" in its adverse concept requires refraining from meanness, therefore, the ruling is restricted to "**give due rights**" and "extravagance" is expressly prohibited. "**Giving due rights**" is not particularly restricted to tangible properties and near relatives. On the contrary, it includes all various right-owners and all relatives in the microcosm and macrocosm. There is a story narrated about the Prophet (PBUH) that His Excellency was passing by when He saw Sa'ad who was performing his minor ablution, He said Sa'ad! What is this extravagance (in using so much water for minor ablution)? Sa'ad asked, is it of any extravagance (in using water) to perform ablution? Yes, even if it were with the water of a current spring. His Excellency answered. It is also narrated from Imam Sadiq (A) that someone asked him. Is there any squandering in the things that are lawful (and not forbidden)? His Excellency answered: Yes, and the delicate point is, even though a person being near a current water-spring, wastes his powers more than what is obligatory or recommended. Using and implementing of "power" without any necessity, would be squandering, even though the extravagance and squandering in using water is not important. It could be understood that, contribution and donation of wealth and property, discourse, science, theosophy, reputation and honour, dignity and rank, energy, and/or contribution to one's self and its faculties

¹¹- Eyewitnesses saw American planes when flying over Gilan and Mazandaran provinces of Iran -where are suitable lands and possess good climate for rice cultivation- casted small bags of rice-stem-worms in rice fields in late forties and after World War II.

¹²- The Quran, Al-Dhariyat, 19: «و فِي أَمْوَالِهِمْ حَقٌّ لِّلسَّائِلِ وَالْمَحْرُومِ».

Al-Maarij, 24-25: "**And those in whose wealth are an appointed share; for the needy who demands and the one who is deprived**". «وَالَّذِينَ فِي أَمْوَالِهِمْ حَقٌّ مَّعْلُومٌ لِّلسَّائِلِ وَالْمَحْرُومِ».

¹³- The Quran, Al-Isra, 26-27.

«وَأْتِ ذَا الْقُرْبَىٰ حَقَّهُ وَالْمِسْكِينَ وَابْنَ السَّبِيلِ وَلَا تُبَذِّرْ تَبْذِيرًا. إِنَّ الْمُبَذِّرِينَ كَانُوا إِخْوَانَ الشَّيَاطِينِ وَكَانَ الشَّيْطَانُ لِرَبِّهِ كَفُورًا».

¹⁴- His Excellency Haj Molla Sultan Mohammad Sultan Ali Shah Gonabadi, "Bayan-a-Sa'adah-fi-Maqamat-al-Ibadah", Farsi translation, Vol. 8, pp. 260-263.

حضرت حاج ملا سلطان محمد بیدختی گنابادی سلطانعلیشاه، بیان السعادة في مقامات العباد، نشر الثاني، في اربعة مجلدات رعي بلغة العربية، ١٣٤٤

<http://www.sufism.it/> . هجري شمسي، دانشگاه تهران.

as one wishes, without paying attention to God's instructions and obeying His ordinances - whatever it may be- would be called squandering. At the same time, if all of them were done with regard to God's instructions and with the intention of obeying His ordinances, then it would be called economical (moderation). Therefore, it has been mentioned that if you turn the whole world into a morsel and feed a (true) believer, it would not be called squandering. **"Verily, the squanderers"**, namely those persons who donate through negligence or other than obeying the God's instructions, **"are brothers of devils"**. Because if contribution is not done through God's instructions, then it would be under direction of Satan, who is waiting for human being's negligence of God's instruction and consequently he dominates his status and takes him under his control just as well as he controls and rules over his devils. **"And Satan was ungrateful to Allah"**. This is for giving the reasons. That is to say, Satan is ungrateful to Allah and squanderers are those who donate without paying attention to God's instructions and they would be ungrateful to their Lord so that regarding ungratefulness they are brothers of Satan".

As it was thoroughly explained, "squandering" might be used as an established basic principle in international trade concerning the weak and powerless nations. That is to say, the rights of powerless and disabled persons of other nations should not be ignored. We have no right to acquire profits just to achieve our national interests and refrain to give the due rights of the deprived nations out of the wealth and property of Islamic nation -as it is instructed by Almighty God.

A related subject to this discussion is prohibition of public aliments speculation in famine years. This subject is limited only to public aliments and the situation in famine years during in which government is allowed to confiscate the storages and distribute public aliments among people, and in case of not fulfilling these conditions, she is not allowed. There are different juristic opinions about what public aliment is. There is a consensus that public aliment is confined to wheat that is necessary for people survival in starvation period. Of course, public aliments for different countries are different. For example in Mexico, corn is public aliment since Mexicans nutrition depends on corn bread and not on wheat bread.

In this respect, the Quran criticizes the rich that agglomerate properties (that is a kind of speculation) but encourages them to help deprived people of the society; in the meantime, never confirms that their lawful properties (and merchandises) can be confiscated, sold or priced.

Speculating public aliment or exercising any method to prevent foodstuff price decline- such as destroying products and declining cultivated lands for the purpose of reducing product supply that leads to increasing food price - are not authorized in Islam. Whenever people are hungry, the Islamic judge is authorized to command to open the warehouses and distribute the public sustenance amongst people. By considering the said subject, it is obvious that Islamic government and Muslims have no right to hoard public aliments, and let people die due to famine and hunger. Moreover, we read in the Holy Quran, in surah of Joseph, that Joseph (AS) said, **"For seven consecutive years, you shall sow as usual and you should store the harvest that you reap in its ear, except a little of it which you shall eat. Then after that shall come seven years of hardship of famine that you shall eat what you have stored beforehand except a little that you shall save for sowing seeds"**.¹⁵... **"Then his brothers came to him; and he recognized them, but they did not recognize him; and when he provided them with the provisions which they demanded, Joseph said: Bring to me that brother of yours from your father. Do you not see that I fill up the**

¹⁵- The Quran, Yusuf, 47-48:

«قَالَ تَزْرَعُونَ سَبْعَ سِنِينَ دَأْبًا فَمَا حَصَدْتُمْ فَذَرُوهُ فِي سُنْبُلِهِ إِلَّا قَلِيلًا مِمَّا تَأْكُلُونَ. ثُمَّ يَأْتِي مِنْ بَعْدِ ذَلِكَ سَبْعٌ شِدَادٌ يَأْكُلْنَ مَا قَدَّمْتُمْ هُنَّ إِلَّا قَلِيلًا مِمَّا تَحْصُونَ».

measure and I am the best host"?¹⁶... "And Joseph told his servants: Put their money into their bags, so that they might know it after their returning to their town and they might come back".¹⁷ That is, during famine, Joseph (AS) gave full measures of food supplies to those who were from another territory and had exercised a grave injustice to him before. Joseph (AS) was Aziz (ruler) of Egypt at the time and the guests were from Canaan. In other words, Joseph (AS) deemed it obligatory to give them foodstuffs based on per capita, namely to cover each person's need. Because in the following verses when the brothers demand to take Benjamin with themselves they argue that: "So we shall obtain more food for our family, and we shall surely take care of our brother; and we shall obtain an extra camel load; what we have now is a small amount of food supplies".¹⁸ The said verse shows that Joseph (AS) used to divide sustenance based on the members of the family, and the last sentence, which says, "what we have now is a small amount of food supplies" shows that each person's portion would suffice the least amount of food needed for the persons of a family. Since Joseph's brothers had not taken Benjamin with themselves, therefore they said that the acquired grains were less than what they needed to live. It is continued that: "And when they opened their bags they found that their money had been returned to them".¹⁹ That is to say, the purchase price of the grains had been returned to them. What we understand from the above-mentioned verses is that when the people are in times of hardship for foodstuffs- no matter where they live and what their nationalities and religions are- the true Islamic government and Muslims are bound to provide them with sufficient sustenance without receiving purchase price.

Supervision policies in Islam are in prevention of swindle in transaction, but not economic interferences. In the present economies, because of commodity diversifications and specialized supervisions and health and quality standards on goods and transactions in different industries, it needs special supervisory apparatus. Transaction law in Islam necessitates the cleanness of transactions regarding the use of short weight, profiteering, hoarding and any other fraud in transactions as are cited in different verses of the Quran and jurisprudential texts.

Devising evil plot in commercial affairs is similar to the cited cases. Taking any step or measure to hide reality in achievement of national interests is prohibited in Islam. In the Holy Quran, it is said: "Do not devour one another's property unjustly nor use it as a bribe to the judge that you may devour a part of the property of others wrongfully".²⁰ Moreover, another verse says, "O, you who believe! Do not devour each other's wealth in vanity and illegal way. The profit obtained should be by trading or mutual consent".²¹ The cited two verses cannot be applied only to some specific people (owners of the properties) but to all people around the world. No property belonging to any person can be devoured. The interpretation of the said

¹⁶- The Quran, Yusuf, 58-59:

«وَجَاءَ إِخْوَةُ يُوسُفَ فَدَخَلُوا عَلَيْهِ فَعَرَفَهُمْ وَ هُمْ لَهُ مُنْكَرُونَ. وَ لَمَّا جَهَّزَهُمْ بِجَهَّازِهِمْ قَالَ انشُونِي بِأَخٍ لَكُمْ مِنْ أَبِيكُمْ أَلَا تَرَوْنَ أَنِّي أُوْفِي الْكَيْلَ وَ أَنَا خَيْرُ الْمُنْزِلِينَ».

¹⁷- The Quran, Yusuf, 62: «وَ قَالَ لِفِتْيَانِهِ اجْعَلُوا بِضَاعَتَهُمْ فِي رِحَابِهِمْ لَعَلَّهُمْ يَعْرِفُونَهَا إِذَا انْقَلَبُوا إِلَى أَهْلِهِمْ لَعَلَّهُمْ يَرْجِعُونَ».

¹⁸- The Quran, Yusuf, 65: «وَ نَمِيرُ أَهْلَنَا وَ نَحْفَظُ أَخَانَا وَ نَزِدَادُ كَيْلٍ بَعِيرٍ ذَلِكَ كَيْلٌ يَسِيرٌ».

¹⁹- The Quran, Yusuf, 65: «وَ لَمَّا فَتَحُوا مَتَاعَهُمْ وَجَدُوا بِضَاعَتَهُمْ رُدَّتْ إِلَيْهِمْ».

²⁰- The Quran, Al-Baqarah, 188: «وَ لَا تَأْكُلُوا أَمْوَالَكُمْ بَيْنَكُمْ بِالْبَاطِلِ وَ تَذَلُّوا بِهَا إِلَى الْحُكَّامِ لِتَأْكُلُوا فَرِيقًا مِنْ أَمْوَالِ النَّاسِ بِالْإِثْمِ».

²¹- The Quran, Al-Nisa, 29: «يَا أَيُّهَا الَّذِينَ آمَنُوا لَا تَأْكُلُوا أَمْوَالَكُمْ بَيْنَكُمْ بِالْبَاطِلِ إِلَّا أَنْ تَكُونَ تِجَارَةً عَنْ تَرَاضٍ مِنْكُمْ».

verses, from the international trade viewpoint would be that, the true Islamic government and Muslim traders are not allowed to misappropriate the properties of the other states, nations or traders through devising plots and tricks - rightfully or wrongfully and/or by bribing or subornation of the others -whether collectively or individually. The only way of appropriation of the other's property is through mutual consent trading. Moreover, trade should be on the basis of just balance, and even the weight on weighbridge (balance) should be in favour of buyer as the Quran says:²² **"And those whose scale show light weight, they are the ones who have caused loss to themselves and they will be the inhabitants of the hell forever"**. This is the command of Allah that²³ **"And give full measure and full weight with justice"**. In addition, says:²⁴ **"Give full measure and do not cause loss to the buyer by diminishing the weight of their things. And weigh with true and correct scales; and do not diminish the things that you sell to the people and do not spread mischief and cheating in the land"**. Moreover, in surah of Al-Mutaffifin the admonition of "Woe" has been revealed for those who decrease in measuring, which says,²⁵ **"Woe to those sellers who cause decrease in measure and weight while selling things to the people. Those who when they buy something they demand full and exact weight, but when they sell something to the people decrease their right and give them less than the due weight and measure. So they not think that there will be a judgment day which they will become alive and (this will happen) in a Great Day"**. Moreover, it says,²⁶ **"Do not give short measure and short weight, I see your salvation. I fear for you the chastisement of the surrounding Day. O, you people! Give full measure and exact weight, and do not diminish the goods of people; and do not make mischief in the land"**. All the above said verses order Islamic government and Muslim traders to transact correctly.

Principle of compensation for unjustified damage or principle of reparation is an accepted legal rule in various legal systems. Procedures and redress methods have also been determined in different countries laws and regulations. Accordingly, if a person damages and injures another person through doing or leaving a deed, he will be bound to compensate for all incurred losses and damages. In international law, reparation is to take all measures in favour of a state or an international organization for the incurred losses and damages. This principle is mentioned in Article 37 of the Hague Convention 1907 as a general principle and has been recognized by civilized nations.

The said principle is also accepted as "civil liability" in Islamic jurisprudence. All injuries and damages caused by an individual or a state, whether by a private or public action, require restoration to the conditions as were before incurring loss and damage. In private international

²²- The Quran, Al-Muminun, 102-103:

«فَمَنْ ثَقَلَتْ مَوَازِينُهُ فَأُولَئِكَ هُمُ الْمُفْلِحُونَ وَمَنْ خَفَّتْ مَوَازِينُهُ فَأُولَئِكَ الَّذِينَ خَسِرُوا أَنفُسَهُمْ فِي جَهَنَّمَ خَالِدُونَ».

And also Al-Aaraf, 8-9:

«فَمَنْ ثَقَلَتْ مَوَازِينُهُ فَأُولَئِكَ هُمُ الْمُفْلِحُونَ وَمَنْ خَفَّتْ مَوَازِينُهُ فَأُولَئِكَ الَّذِينَ خَسِرُوا أَنفُسَهُمْ بِمَا كَانُوا بِآيَاتِنَا يَظْلِمُونَ».

²³- The Quran, Al-An'am, 152: «وَأَوْفُوا الْكَيْلَ وَالْمِيزَانَ بِالْقِسْطِ».

²⁴- The Quran, Al-Shū'ara, 181-183:

«أَوْفُوا الْكَيْلَ وَلَا تَكُونُوا مِنَ الْمُخْسِرِينَ وَزِنُوا بِالْقِسْطِ الْمُسْتَقِيمِ وَلَا تَبْخَسُوا النَّاسَ أَشْيَاءَهُمْ وَلَا تَعْتُوا فِي الْأَرْضِ مُفْسِدِينَ».

²⁵- The Quran, Al-Mutafifin, 1-5:

«وَيْلٌ لِلْمُطَفِّفِينَ الَّذِينَ إِذَا أَكْتَالُوا عَلَى النَّاسِ يَسْتَوْفُونَ وَإِذَا كَالُوا لَهُمْ أَوْ وَزَنُوا لَهُمْ يُخْسِرُونَ أَلَا يَظُنُّ أُولَئِكَ أَنَّهُمْ مَبْعُوثُونَ لِيَوْمٍ عَظِيمٍ».

²⁶- The Quran, Hūd, 84-85:

«وَلَا تَنْقُصُوا الْمِكْيَالَ وَالْمِيزَانَ إِنِّي أَرَاكُمْ بِخَيْرٍ وَإِنِّي أَخَافُ عَلَيْكُمْ عَذَابَ يَوْمٍ مُّحِيطٍ وَيَا قَوْمِ أَوْفُوا الْمِكْيَالَ وَالْمِيزَانَ بِالْقِسْطِ وَلَا تَبْخَسُوا النَّاسَ أَشْيَاءَهُمْ وَلَا تَعْتُوا فِي الْأَرْضِ مُفْسِدِينَ».

And Al-Aaraf, 85:

«فَأَوْفُوا الْكَيْلَ وَالْمِيزَانَ وَلَا تَبْخَسُوا النَّاسَ أَشْيَاءَهُمْ وَلَا تُفْسِدُوا فِي الْأَرْضِ بَعْدَ إِصْلَاحِهَا ذَلِكُمْ خَيْرٌ لَّكُمْ إِن كُنتُمْ مُّؤْمِنِينَ».

law, as long as the parties are real persons, the authenticity (originality) of the said principle is less doubtful than in public international law, where the parties of the dispute are states. In the latter, a claim for making reparation of loss and damage from the states needs much more discussions about the quality and quantity. Anyhow, this general principle in international law (without taking the proving issues of the correctness of the right into consideration) is also recognized in Islamic law.

In the Holy Quran, there are many verses about penalties. In these verses, penalty is equal to the committed offense.²⁷ As a rule, the Quran states:²⁸ **“Every soul is a pledge for its own deeds”**. The concept of this verse is extended to folks and people in surah of Al-Jathiyah that says,²⁹ **“... in order that folks shall be requited what they used to earn”**. This verse might be an evidence for national, ethnical, and common liability, whose effects are extendable to international trade issues.

In surah of Al-Qasas, it is clearly stated that a good deed should be rewarded in a better way than the deed, but the penalty of an ill deed is just equal to it. It says:³⁰ **“He who brings a good deed, he will have better than the same; while as for him who brings an ill deed, those who do ill deed will be requited only what they did”**. Moreover, in surah of Al-Shura says:³¹ **“The recompense of an ill-deed is an ill the like thereof. But whosoever pardons and amends, his wage is the affair of Allah...”**

The process of “inquiry” is one of the well-known methods for pacific settlement of international disputes. In this process, through investigation and careful consideration of the facts of the origin of dispute, when the faults committed by a state or states are proven, some measures will be taken to settle the disputes amongst the parties. Consequently, the war and aggression or hostile actions could be prevented in this way. This process in contemporary international law was introduced and recommended by Russia at Hague Peace Conference I. Subsequently at Hague Peace Conference II in 1907, the arrangement of International Commission of Inquiry was drafted.

The process of “inquiry” is exactly approved by Islamic international law. The essential aspects of this process in establishment of international justice and pacific settlement of disputes can be understood from the concept of several Quran's verses. In Islam, there are several instructions for inquiry and investigation before taking any decision or committing any action. In surah of Al-Nisa it says,³² **“O you who believe! When you go to war in Allah’s way, make investigation, and do not say to anyone who offers you peace: you are not a believer. Do you**

²⁷- The Quran, Al-Safat, 39: **“You are repaid nothing except for what you did”**. «وَمَا تُجْزَوْنَ إِلَّا مَا كُنتُمْ تَعْمَلُونَ».

Al-Zumar, 70: **“And each soul is paid for what it did”**. «وَوُفِّيَتْ كُلُّ نَفْسٍ مَا عَمِلَتْ»

Ya-Sin, 54: **“You are not paid except for what you did”**. «وَلَا تُجْزَوْنَ إِلَّا مَا كُنتُمْ تَعْمَلُونَ»

Al-Tahrim, 67 and Al-Tur, 16: **“You are only paid for what you did”**.

«إِنَّمَا تُجْزَوْنَ مَا كُنتُمْ تَعْمَلُونَ»

Al-Waqi'ah, 24: **“They are rewarded for what they have done”** «جَزَاءً بِمَا كَانُوا يَعْمَلُونَ»

²⁸- The Quran, Al-Muddaththir, 38: «كُلُّ نَفْسٍ بِمَا كَسَبَتْ رَهِينَةٌ»

²⁹- The Quran: Al-Jathiyah, 14: «لِيَجْزِيَ قَوْمًا بِمَا كَانُوا يَكْسِبُونَ»

³⁰- The Quran, Al-Qasas, 84: «مَنْ جَاءَ بِالْحَسَنَةِ فَلَهُ خَيْرٌ مِنْهَا وَمَنْ جَاءَ بِالسَّيِّئَةِ فَلَا يُجْزَى الَّذِينَ عَمِلُوا السَّيِّئَاتِ إِلَّا مَا كَانُوا يَعْمَلُونَ»

³¹- The Quran, Al-Shura, 40: «وَجَزَاءُ سَيِّئَةٍ سَيِّئَةٌ مِثْلُهَا فَمَنْ عَفَا وَأَصْلَحَ فَأَجْرُهُ عَلَى اللَّهِ»

³²- The Quran, Al-Nisa, 94:

«يَا أَيُّهَا الَّذِينَ آمَنُوا إِذَا ضَرَبْتُمْ فِي سَبِيلِ اللَّهِ فَتَبَيَّنُوا وَلَا تَقُولُوا لِمَنْ أَلْقَى إِلَيْكُمُ السَّلَامَ لَسْتَ مُؤْمِنًا تَبْتَغُونَ عَرَضَ الْحَيَاةِ الدُّنْيَا فَعِنْدَ اللَّهِ مَغَامٌ كَثِيرٌ كَذَلِكَ كُنْتُمْ مِنْ قَبْلُ فَمَنْ اللَّهُ عَلَيْكُمْ فَتَبَيَّنُوا إِنَّ اللَّهَ كَانَ بِمَا تَعْمَلُونَ خَبِيرًا».

seek goods of this world's life! But with Allah there are abundant gains; you too were such before, then Allah conferred a benefit on you; therefore make investigations; surely Allah is aware of what you do". There is a general instruction in this verse to make inquiry in life of believers. This concept is construed from the interpretation of the phrase "Allah's way".

Market regulating policies in Islam are not generalizable to commodity pricing and rating. In the command to Malik Ashtar about pricing system, Ali (AS) writes "Purchase and sell should be easily performed with measure of justice so neither seller nor purchaser loose". This expression economically is held when "Pareto optimality" condition is satisfied and expresses optimal market efficiency. In this case, transaction will be done over the "contract curve" in "Edgeworth box" and will have efficient distributional effect if the market were competitive. His order implicitly confirms that prices should be determined by market demand and supply mechanism, and not by governmental pricing and rating.

In this connection, it should be noted that market access policy in Islam is restricted to just previously mentioned cases and not more. In Islam, ownership is respectable and unlimited, and only some specifications resulting from the property possession ways are considered for it. In this regard, the property must be obtained through legal sources. Even though the Quran encourages open handing and generosity, but except common legal taxes there is no command regarding excuse for confiscating others' properties. On this basis, Islam admits ownership as redline. That is the line between people's rights and duties of government. Any changes to this limitation should be done upon public agreement; so the political and legislative mechanisms are to be established to complete the required changes. Certainly removing this limitation is not allowed by unilateral outlook of ruling party.

General intervention of Islam in people's ownership rights is restricted. Islam respects individual's ownership in all fields -that resulting from people's natural rights and their freedom in owning properties via legal ways. Nevertheless, as cited before, there exist complementary ethical orders that discourage people to hoard their owning properties and encourage them to spend for welfare of weak people. This generosity has been defined as atonement (reparation) of many sins and as good recommendatory deeds.

Another criterion bans ownership for particular cases where the property is possessed through some non-Sharia compliant ways. These cases in addition to other illegal cases are also seen in all countries. For example, banning usury or producing and trading alcoholic drinks and stupeficient drugs and other forbidden products of these kinds are forbidden in Islam. More than this, there is no evidence in the Quran, even though some jurists legitimize some interventions in pricing of products and services according to *Sunna* (tradition); but by paying attention to this verse, it is obvious that interventions in pricing is not acceptable. The Quran says³³ **"O believers! Do not devour your property among yourselves falsely, except that it be trading by your mutual consent, and do not kill your people. Surely, Allah is Merciful to you. And whoever does this aggressively and unjustly, We will soon cast him into fire, and this is easy to Allah"**. This verse shows that dissatisfaction in trading cancels transaction. In other words, the satisfaction of both parties is a necessary condition for trade to be correct. Logically, price interference -of a third party like government- results to cancelation of transaction from Sharia point of view. This means that if government forces goods pricing, even if the consumer is satisfied by this pricing, but because of dissatisfaction of the other side (seller), the bilateral satisfaction condition is not fulfilled, and if the transaction were done, it is considered as **"false devour"**.

³³- The Quran, Al-Nisa, 29-30:

« يَا أَيُّهَا الَّذِينَ آمَنُوا لَا تَأْكُلُوا أَمْوَالِكُمْ بَيْنَكُمْ بِالْبَاطِلِ إِلَّا أَنْ تَكُونَ تِجَارَةً عَنْ تَرَاضٍ مِنْكُمْ وَلَا تَقْتُلُوا أَنْفُسَكُمْ إِنَّ اللَّهَ كَانَ بِكُمْ رَحِيمًا وَمَنْ يَفْعَلْ ذَلِكَ عُذْوَانًا وَظُلْمًا فَسَوْفَ نُصَلِّبُهُ نَارًا وَكَانَ ذَلِكَ عَلَى اللَّهِ يَسِيرًا»

In another verse in the Quran, the Prophet is missioned to inform that:³⁴ **"O children of Adam! Attend to your embellishments at every place of prayers, and eat and drink and be not extravagant. Surely, He does not love the extravagant. Say: Who has prohibited the embellishment of Allah that He has brought forth for His servants and the good provisions? Say, these are for the believers in the life of this world, purely (theirs) on the Resurrection Day. Thus, We make the communications clear for a people who know. Say, my Lord has only prohibited indecencies, those of them that are apparent as well as those that are concealed, and sin and rebellion without justice, and that you associate with Allah that for which He has not sent down any authority, and that you say against Allah what you do not know."** Reasoning to this verse, we can say that governments should not prohibit the ownership that is religiously lawful; or apply pricing or tariffication over them. It means that government should not interfere in economic aspects of people's trade, and generally, governments should be neutral in these affairs. Surah of Al-Bagharah asserts³⁵ **"And if you repent, then you shall have your capital neither shall you make (the debtor) suffer loss, nor shall you be made to suffer loss"**. In other words, this principle presents conditions of equilibrium and market prices within supply and demand mechanism in economy, as the most basic concepts in neoclassical economics.³⁶ If the government forces the pricing of products or services, in practice, she transfers resources and benefits of trade or production from seller and producer to consumers and buyers. That is to say, the government oppresses producer and supplier, whereas oppression in Islam is forbidden.

Producing, purchasing and selling wine and other intoxicants, for intoxication purposes are forbidden in Islam as cited before. Because drinking wine will deteriorate "mental and reasoning faculty (power)" for a while, consequently the man's virtue namely the awareness of his perception would be weakened or stopped working temporarily. For this reason, the holy Prophet of Islam has forbidden it. Certainly, the said prohibition shall cover the narcotic and stupeficient drugs. The trade of narcotic and stupeficient drugs is one of the largest illicit trades around the world, in such a way that in some years the revenues gained by transaction of narcotic drugs had been more than the world oil revenue. Islamic government and Muslims are not allowed to be engaged in transaction of narcotic drugs or even take part in their distributions. The Holy Quran says³⁷ **"You should help one another in righteousness and piety, but do not help one another in sin and transgression"**. The term "sin" is also used in the verse that forbids the wine, and in that place, it is called "grave sin". It means that taking part in the said "grave sin" -namely, transaction of intoxicants that also includes narcotic and stupeficient drugs- is forbidden. The Holy Quran says:³⁸ **"They ask you concerning intoxicant and gambling, say: In both of them is a grave sin, although there is some profit for some men in them, but the sin of them is graver than their profit"**. In a comment to this verse, His Excellency Sultan Ali Shah Gonabadi forbids the usage of opium and narcotic drugs for the first time in history of Islam. In his noble

³⁴- The Quran, Al-Aaraf, 31-33:

«يَا بَنِي آدَمَ خُذُوا زِينَتَكُمْ عِنْدَ كُلِّ مَسْجِدٍ وَكُلُوا وَاشْرَبُوا وَلَا تُسْرِفُوا إِنَّهُ لَا يُحِبُّ الْمُسْرِفِينَ. قُلْ مَنْ حَرَّمَ زِينَةَ اللَّهِ الَّتِي أَخْرَجَ لِعِبَادِهِ وَالطَّيِّبَاتِ مِنَ الرِّزْقِ قُلْ هِيَ لِلَّذِينَ آمَنُوا فِي الْحَيَاةِ الدُّنْيَا خَالِصَةً يَوْمَ الْقِيَامَةِ كَذَلِكَ نَفَصِّلُ الْآيَاتِ لِقَوْمٍ يَعْلَمُونَ. قُلْ إِنَّمَا حَرَّمَ رَبِّي الْفَوَاحِشَ مَا ظَهَرَ مِنْهَا وَمَا بَطَّنَ وَالْإِثْمَ وَالْبَغْيَ بِغَيْرِ الْحَقِّ وَأَنْ تُشْرِكُوا بِاللَّهِ مَا لَمْ يُنَزَّلْ بِهِ سُلْطَانًا وَأَنْ تَقُولُوا عَلَى اللَّهِ مَا لَا تَعْلَمُونَ».

³⁵- The Quran, Al-Baqarah, 279: «وَأَنْ تُبْنُوا عَلَى الْإِثْمِ وَالْعُدْوَانِ»

³⁶- See: Bidabad, Bijan, 2009, Equilibrium in Ethic Economics.

<http://www.bidabad.ir/bidabad/doc/taadol-eghtesade-akhlagh-en.pdf>

³⁷- The Quran, Al-Maida, 2: «وَتَعَاوَنُوا عَلَى الْبِرِّ وَالتَّقْوَىٰ وَ لَا تَعَاوَنُوا عَلَى الْإِثْمِ وَ الْعُدْوَانِ».

³⁸- The Quran, Al-Baqarah, 219: «يَسْأَلُونَكَ عَنِ الْخَمْرِ وَ الْمَيْسِرِ قُلْ فِيهِمَا إِثْمٌ كَبِيرٌ وَ مَنَافِعُ لِلنَّاسِ وَإِثْمُهُمَا أَكْبَرُ مِنْ نَفْعِهِمَا».

exegesis of Bayan-o-Sa'adah-fi-Maqamat-al-Ibadah he states³⁹ "As long as all intoxicants reduce domination of "reasoning faculty" (power, in human being), therefore, as it is narrated: since the time of Adam (AS) no religious legislation has been, wherein intoxicants were not prohibited, so as per duty of the prophets (AS) their usage have been prohibited. There are various vices and practices affecting mental and reasoning faculty (power); but the wine (alcohol) is considered as the mother of all evils. Even if, there are benefits in using wine such as, strengthening the body, helping the digestives process, healing the arteriosclerosis, strengthening the mental capacity, sincere affection of heart, stimulating love and desire, emboldening the user, preventing the stinginess, and so on. Whereas, opium smoking - (and its derivatives of common usage in our days), gradually lowers "mental and reasoning faculty", in an irreversible way so as the reconstruction could not be expected. Contrary to wine that although, it reduces "mental faculty" functioning during drunkenness, but when the person regains his consciousness, the "mental faculty" is in its highest performance and other faculties (powers) are quickly return back under the control of the "mental and reasoning faculty". But, opium smoking essentially halts the decision making power from the "reasoning faculty". It impedes the "estimation faculty". This faculty is essential to perceive trivial matters. It is created to understand and to estimate those pleasures or pains of the hereafter (spirituality), and consequently forms a desire, resulting from understandings and perception of the realities of the said trivial matters and reacts as stimulus for the hereafter (spirituality). It also impedes the "imaginative faculty", necessary to join images together to complete the perception of attraction and dislikes required to preservation of material and spiritual life of the individual. It also destroys the "faculty of fantasy", required to protect the good management of life according to best possible conditions for hereafter (spiritual life) within a good behaviour towards other creatures (social life). It also prevents functioning of "faculty of desiring" that is the motive and vector of the spiritual journey and the main stimulator of desire necessary for the world's (daily life) affairs, and halts the nervous system as a stimulator to desire. Finally, it should be noted that all the above-mentioned faculties would be weakened by opium smoking and too many rights would come to standstill. Moreover, it is harmful to the body and results to wasting of property. Its harmful effects on the body are noticeable by all persons. It is so obvious that everybody is able to recognize the face of opium smoker and there is no need for further proof. The smoke of the opium, due to its characteristics is an anti-life substance, which is extinguisher of the "instinctive heat". It dries the moisture of the instinctive substances of life. It blocks the pores of the body, supposed to pass the "unknown instinctive moisture" and "determined instinctive moisture" and keep the "instinctive heat", consequently easing the life and its continuation. The said pores eliminate the "unknown moisture (humidity)" of the instinctive heat, whose accumulation is harmful to body. Almighty God, through His wisdom, has created the lung as a spongy and porous substance to be able to collect all moistures that are evaporated from stomach, liver and heart, and are gathered inside the chest; then empty them through lung to prevent their accumulation that are the cause of infection and contracting illness such as, chest disease, wound, abscess, pleurisy, inflammation of chest, and pneumonia. The smoke of opium blocks bulbs in lung and makes it thick, so the lung would not be able to dry the moistures, as it is required. Consequently, the said illnesses could be contracted. We have seen too many opium smokers died due to contracting the said illnesses. So that, there exist the bad qualities of intoxicants in opium, but not only the benefits of intoxicant (wine-alcohol) do not exist in opium, but there are worse characteristics in it. Therefore, prohibition of using opium

³⁹- His Excellency Haj Molla Sultan Mohammad Sultan Ali Shah Gonabadi, "Bayan-a-Sa'adah-fi-Maqamat-al-Ibadah", Farsi translation Vol. 2, pp. 450- 460.

حضرت حاج ملا سلطان محمد بیدختی گنابادی سلطانعلیشاه، بیان السعادة في مقامات العباداة، نشر الثاني، في اربعة مجلداتة رقي بلغة العربية، ١٣٤٤ هجري شمسي، دانشگاه تهران. <http://www.sufism.ir/>

(and derivatives) should be more severe than prohibition of intoxicants (wine-alcohol). So that, May God's curse be put on the opium and the one who uses it. Therefore, "**sin**" (*ithm*) is sometimes used for committing forbidden actions that is called "religious sins", and sometimes it is used for which that brings defects to soul, and in this position, the latter meaning is taken into consideration. Because the said verse is a prelude to prohibiting something, it is not revealed after the revelation of the verse that forbids the intoxicants and gambling. We have already explained the defects of human soul, which have been originated from the usage of the intoxicants and gambling. The occasion of its revelation and all traditions, which have been narrated about, can be found in detailed books on the subject. Those who want to get more information about it may refer to them."

Based on the above-mentioned explanations, the concept of the said principle could be extended to all sins and even moral issues and we are not going to describe the issue anymore. It should only be noted that one of the today's world problems is immoral trading, which have specifically devoured a large part of the world's commercial transactions, and according to the above explanation, all of them are considered as corruption that are not allowed in Islam.

Instructive Principles

Humankind interest remains in a positive interaction of all people around the world. Whenever this proposition were understood, surely he will not delay in positive interacting with other peoples and countries. Simply, theories of welfare economics prove mathematically that removing trade barriers will increase economic efficiency in all aspects. In this section, we try to frame and formalize the spirit of the above-mentioned Islamic Sufi teachings to establish a base for proposing a convention to facilitate international trade. In this regard, the following subjects are noticeable:

- 1- Drawing and strengthening political borders will distinguish nations artificially. Wherever the political borders are effaced, the legal and cultural differences and conflicts of nations and governments will decrease.
- 2- Abandonment of national goals to get higher international benefits results in higher benefits for all nations.
- 3- Governments' barriers against their trade partners decelerate development, progress and welfare of nations. Free trade will promote all nations throughout the world.
- 4- In contrast to national opinions, from economic point of view and according to international trade theories, it is proved that human beings' benefits will be increased by transcendence of humanity as a whole.
- 5- International trade and finance disorders seriously hurt all countries around the globe.
- 6- Market fluctuation increases the cost of capital and when governments adopt counter policies, they increase their partners' costs and reduce market efficiency as a whole.
- 7- World trade will be increased by trade barriers removal. Employment, production, real income, welfare and living standards all will be increased by world trade development.
- 8- Sharing trade benefits is a base for regulating commercial relationship.
- 9- Elimination of customs duties promotes industrial competition, employment, resource allocation, and more, in international competitive environment.
- 10- It is the time for deregulation and liberalization of domestic and foreign markets of the globe.
- 11- Economic failures of countries are due to many factors, and trade barrier is one of the most important factors.
- 12- Liberalization and globalization policies will result in structural changes and wide economic and social reforms in all countries.
- 13- Privatization, liberalization and flexible competitive markets will increase all economies'

efficiencies.

- 14- Tariffs, quotas, discriminations and other trade barriers create many problems of balance of payment deficit, national money depreciation, unemployment, and decrease economic development, growth and welfare for all trade partners.
- 15- WTO's negotiations per commodity are time-consuming, discriminative, asymmetric and inefficient. Acceptance of general reduction and elimination of all restrictions and barriers all at once is more efficient than negotiation per commodity.
- 16- Higher levels and continuous increase of real incomes and effective demands for all countries are accessible through trade barriers and restrictions removal.
- 17- Market flexibility and free labour movement promote international allocation and division of labour.
- 18- Trade barriers removal will result in development and increase in production and trade for all countries.
- 19- The proposed trade system of this convention promotes efficiency and allocation of resources around the globe.
- 20- Sustainable development and environment preservation will be more accessible through the proposed free trade system of this convention.
- 21- Increase of underdeveloped countries' shares, particularly lesser developed ones and recognition of their natural rights to develop is considered in the proposed convention.
- 22- Every member of this convention can easily enter the market of the other members.
- 23- For any imposed restriction for a commodity in one country, the same restriction should be imposed for all member countries.
- 24- Market access with certain and stable trade conditions are provided for all member countries.
- 25- Trade facilitations for member countries are provided without bilateral agreements with individual countries through this convention.
- 26- Trade system of this convention is a good proceeding point for economic and structural commercial reform for all members, particularly for less developed countries.
- 27- Survey and evaluation of policy effects on world trade are possible through trade system of this convention.
- 28- Proposed trade system of this convention will increase transparency and cognition of policies and trade practices of member countries through continuous supervision.
- 29- Proposed trade system of this convention will result in better understanding and deliberation of international trade and related subjects.

Executive Principles

If countries agree to remove their political borders in a mutual agreement, then citing most of the following principles would be redundant. Political borders have separated the nations and made obstacles to trade and transaction amongst the globe's nations. In this section, we propose some executive principles for a new international convention, if accepted by countries and observed together; then all the globe nations will highly benefit from free trade and economic growth. Following principles are actually some shortcuts to WTO (World Trade Organization) agreements; while –given its growth trend- WTO might access them in far future. The principles are as follows:

- 1- This convention is based upon Most Favoured Nations (MFN) principle of WTO; and extends it to a uniform non-barrier trade state -for all contracting members.⁴⁰

⁴⁰ - In WTO, countries are not allowed to discriminate among their trade partners by donating special favours such as lowering customs duty rate for one product just in one country. They have to do the same for all other WTO members.

- 2- General Agreement on Tariff and Trade (GATT) and its development (WTO) are important to humankind developments in international trade, and the essences of their goals are consistent with this convention. By preserving and using WTO experiences and achievements, this convention should be established on direct relation to WTO, and with final integration into WTO, or under WTO as a new agreement.
- 3- Nontariff measures are numerous. Each country has devised different types of nontariff measures and all of them are barriers to free trade. It is necessary that all member countries remove or decrease their nontariff measures (NTM) according to WTO principles and procedures to a general acceptable level for all members.⁴¹
- 4- Tariff cut can be done through an international agreement or signing a convention. All contracting countries commit to transform all their tariffs to zero-tariff for other members. Tariffs cut should be done on all similar related taxes and customs duties.⁴²
- 5- Quantitative restrictions, import bans or quotas are barriers to trade. All contracting parties (member governments) of the convention commit to remove them at a specific deadline. The corresponding regulations and exceptions⁴³ should be determined and compiled.
- 6- Promoting fair competition⁴⁴ principle aims to create efficient competition by removing trade-disturbing barriers such as unallowable subsidies, dumping and other harmful arrangements to production and trade of countries. This principle should be recomplied.
- 7- Generally, domestic sale taxation on the imported goods has similar incidence as tariff. The tax systems of the member countries of this convention should be reformed to remove this effect. Therefore, unified tax rates should be levied on profit of selling commodities in form of value added tax in member countries. Moreover, if the tax is paid for one commodity in one country, new value added of selling that commodity should be the base for levying tax, tax accounting and tax receipt in the next country.
- 8- Labour income tax should be unified for all member countries and according to an international agreement. This arrangement should prevent mannered relative advantages.
- 9- Regarding the previous items, one-tenth (tithe) is recommended for value added tax for member countries. Tithe value added tax stands for levying 10% tax on net income (value added) of all economic activities in all transactions and compensation of employees and factor incomes (both domestic and abroad).⁴⁵ This will diminish tax complexity, injustice,

WTO, Most Favoured Nation (MFN): http://www.wto.org/english/thewto_e/whatis_e/tif_e/fact2_e.htm

⁴¹- Some agreements deal with various bureaucratic or legal issues that could cause hindrances to trading.

WTO, Non-tariff barriers: red tape, etc.: http://www.wto.org/english/thewto_e/whatis_e/tif_e/agrm9_e.htm

The Final Act Embodying the Results of the Uruguay Round of Multilateral Trade Negotiations, 1994. In Market Access Negotiations, individual countries made binding commitments to reduce or eliminate specific tariffs and non-tariff barriers to merchandise trade.

Legal texts: the WTO agreements: http://www.wto.org/english/docs_e/legal_e/ursum_e.htm#Uruguay

⁴²- Trebilock, Howse (1995), *The Regulation of international trade*, London, Routledge, pp.73-90.

⁴³- WTO has also defined some exceptions to ensure national security, safeguard consumer health and wellbeing, or preserve domestic plant, animal and environment. Sanitary and PhytoSanitary (SPS) measures deal with food safety, animal and plant health.

⁴⁴- WTO is sometimes described as a "free trade" institution, but that is not entirely accurate. The system allows tariffs and other forms of protections in limited circumstances. More accurately, it is a system of rules dedicated to open, fair and undistorted competition. The rules on non-discrimination (MFN and national treatment) are designed to secure fair conditions of trade; also on dumping (exporting at below cost to gain market share) and subsidies. The issue is complex to distinguish what is fair and unfair, and how governments can respond to compensate for damages caused by unfair trade, in particular, by charging additional import duties. Many WTO agreements aim to support fair competition, in agriculture, intellectual property rights, services, etc. The agreement on government procurement extends competition rules to purchasing of governmental entities, and so on.

WTO, Principles of the trading system: http://www.wto.org/english/thewto_e/whatis_e/tif_e/fact2_e.htm

⁴⁵- Tithe is one of the most important tax rates in humankind lifespan during millenaries. See:

بیدآباد، بیژن. عشریه در مالیه اسلام، پژوهشکده پولی و بانکی، بانک مرکزی ایران، ۱۳۸۳، تهران.

evasion and more.

- 10- The contents of many WTO agreements are candidates to be used in this convention after recompilation to bring out trade facilitation according to the goals of this convention.⁴⁶
- 11- It is necessary to compile new comprehensive regulation to counteract with trade tricks and frauds. This regulation should include the solution and treatment for all good-appearance tricks such as dumping, anti-dumping,⁴⁷ boycott and embargo; and member governments commit to observe it.
- 12- Governments should not dissemble their sovereignty right fulfilment to restrict trade. However, the cultural and belief principles of nations are respected. Necessary regulation in this subject should be compiled.
- 13- A regulation to remove movement restrictions of production factors (labour and capital), technology, products and materials is to be compiled. In this respect, migration and its limitation should be compromised by members. As less developed countries open their borders to products and services of developed countries; instead, developed countries do not prohibit immigration of less developed countries' labours. The latter adjusts labour-capital combination in developed countries. To remove the consequent problems, necessary solution should be devised and regulations for free international labour movement and protection of their rights are to be compiled.
- 14- Necessary regulations to provide perfect competition conditions for factors of production, goods and services markets are to be compiled.
- 15- Necessary regulations to remove double taxation on transportation and communication are to be compiled.
- 16- Necessary regulations to provide free access to markets of member countries are to be compiled.
- 17- In general, Most Favoured Nations (MFN)⁴⁸ commits the members that whenever a country fading out a trade barrier or opens up market for a commodity, she has to do the same for all her trading partners. MFN is very admirable but does not have enough desirable trade effects. This principle should be recompiled according to the contents and goals of this convention.
- 18- National Treatment⁴⁹ principle of WTO makes the members committed that after goods,

<http://www.bidabad.ir/doc/malyat-oshr.pdf>

بیادآباد، بیژن، پیشنهاد اصول کلی کنوانسیون بین‌المللی مالیه عمومی مبتنی بر دیدگاه حکمت در عرفان و تصوف اسلامی، ۱۳۹۲.

<http://www.bidabad.ir/doc/public-finance-convention-fa.pdf>

⁴⁶- Under trade facilitation, WTO members are directed to clarify and improve GATT Article V (Freedom of Transit), Article VIII (Fees and Formalities connected with Importation and Exportation), and Article X (Publication and Administration of Trade Regulations). The negotiations also aim at enhancing technical assistance and building capacity in this area and improving effective cooperation between the customs depts. and other appropriate authorities on trade facilitation and customs compliance issues.

WTO, Trade facilitation: http://www.wto.org/english/tratop_e/tradfa_e/tradfa_intro_e.htm

⁴⁷- If a company exports a product at a price lower than the real price, it normally charges on its own home market, this is called "dumping". The WTO Agreement does not regulate the actions of companies engaged in "dumping". Its focus is on how governments can or cannot react to dumping, and this is called "Anti-dumping Agreement".

⁴⁸- Most Favoured Nations (MFN) is expected to treat other partners equally. In the first article of General Agreement on Tariffs and Trade (GATT), which governs trade of goods; and article 2 of General Agreement on Trade in Services (GATS) and article 4 of Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) this principle is handled slightly different, but it covers all three main areas of trade handled by WTO.

Some exceptions are allowed in WTO's MFN. For example, countries can set up free trade agreement that applies only to goods traded within the group, and discriminating against goods from outside. Alternatively, they can give developing countries special access to their markets. Alternatively, a country can raise barriers against unfairly traded products from specific countries. In services, countries are allowed to discriminate in limited circumstances.

WTO, Principles of the trading system: http://www.wto.org/english/thewto_e/whatis_e/tif_e/fact2_e.htm

⁴⁹- National Treatment stands for treating foreigners and locals equally. That is imported and locally produced goods and services should be treated equally regarding trademarks, copyrights and patents. Principle of "National Treatment"

services, intellectual right, capital, labour, investment, etc., pass the border and the established customs duties are paid, they should be treated the same as a one's own nationally domestic trading. This principle should be recompiled according to the contents and goals of this convention.

- 19- Multilateral trade agreements⁵⁰ facilitate trade of selected trade partners, but complicate the international trade environment and increase costs and inefficiencies. New regulation should be compiled to donate all the best advantages of these agreements to all members of the convention.
- 20- International trade conduct⁵¹ should be based upon right competition. Imperfect competition, monopolies and dishonest competition should be removed or restricted. Domain and principles of competition should be determined through detailed new regulations.
- 21- In order to attract foreign direct investment (FDI), governments establish a set of conditions and necessities to encourage FDI through donating financial encouragements, discounts and rebates, tax exemptions, preferred services, etc. These obligations include many disciplines of local content requirements, manufacturing measures, export performance measures, product mandating measures, exchange restrictions, technology transfer, etc., forming investment measures of the host country. In the case that these performances end up the trade are called Trade-Related Investment Measures (TRIMs)⁵². It is necessary to recompile international investment regulation according to the goals of this convention.⁵³
- 22- Developed countries' main concern is a probable decline of their competitive powers in those sectors that have relative advantages due to the entrance of new competitors (especially newly industrialized countries). They proposed intellectual property rights as their relative advantage. Their endeavours ended up the legislation of many international agreements such as TRIPs⁵⁴. In return, the less developed countries are often deprived from benefits of intellectual property rights arrangements.⁵⁵ Moreover, they should pay more royalties and

is also found in all the three main WTO agreements (Article 3 of GATT, Article 17 of GATS and Article 3 of TRIPS). National Treatment can be applied only when a product, service or item of intellectual property has entered the market. Therefore, charging customs duty on an imported item is not violation of national treatment even if locally produced products are not charged by an equivalent tax.

WTO, Principles of the trading system: http://www.wto.org/english/thewto_e/whatis_e/tif_e/fact2_e.htm

⁵⁰- Keith Ferguson, The world trade organization and its multilateral trade agreements (GATT, GATS, TRIPs, TRIMs, etc.).

⁵¹- WTO, Dispute Settlement: Rules of Conduct, WT/DSB/RC/1, (96-5267), 11 December 1996, Rules of conduct for the understanding on rules and procedures governing the settlement of disputes:

http://www.wto.org/english/tratop_e/dispu_e/rc_e.htm

⁵²- Three main areas on trade and investment in WTO are:

- A Working Group established in 1996 conducts analytical work on the relationship between trade and investment.
- Agreement on Trade-Related Investment Measures ("TRIMs Agreement"); one of the Multilateral Agreements on Trade of Goods, prohibits trade-related investment measures such as local content requirements that are inconsistent with basic provisions of GATT 1994.
- General Agreement on Trade in Services addresses foreign investment in services as one of four modes of supply of services.

WTO, Trade and Investment: http://www.wto.org/english/tratop_e/invest_e/invest_e.htm

⁵³- Keith Ferguson. The World Trade Organization and its multilateral trade agreements (GATT, GATS, TRIPs, TRIMs, etc.).

WTO, What is the WTO?: http://www.wto.org/english/thewto_e/whatis_e/whatis_e.htm

⁵⁴- WTO, TRIPs: trade-related aspects of intellectual property rights:

http://www.wto.org/english/tratop_e/trips_e/trips_e.htm

⁵⁵- At the heart of WTO, there are rules that regulate trade among nations - agreements that have been negotiated and signed by majority of governments. In the back-end of TRIPs, the protection of advanced countries' rights is obvious, though the agreement apparently stands for the aim of promoting transparency, predictability and non-discrimination in trade. At Uruguay Round of trade negotiations (1994), governments settled on a cluster of agreements that created and defined WTO. The Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPs) was part of the package. TRIPs was not negotiated as a stand-alone treaty, and did not enter into legal force on its own, but is one of

prices for those products that are produced under loyalty licenses. Intellectual property rights should be recompiled with simple principles, vast and non-avarice approach and with limited rights.

- 23- Regulations for non-discriminative trade and related behaviours should be recompiled clearly and transparently.⁵⁶
- 24- Any discount, rebate or privilege should be equal for all members of the convention according to the new regulations contrary to WTO's principle that are just applied to agreed members for specified commodities.
- 25- To clear trade regimes and policies more effectively than what is done by WTO, regular surveying and monitoring systems should be activated and applied.⁵⁷
- 26- Trade facilitation is to make international trade procedures simple and consistent. Trade procedures include activities, performances and formalities related to collection, presentation, exchange and process of data for movement of commodity at international level. A vast set of activities such as importation and exportation (i.e. customs rules and issuing allowances and licensing), transportation formalities, payments, insurances and other financial operations are included in trade facilitation topic. It also includes establishment of trade points in countries, improvement of necessary documents and customs procedures such as good clearance, standards, customs inspection regarding animal and plant health and quality control. Trade facilitation regulations should be upgraded according to the goals of this convention.⁵⁸
- 27- It is necessary that trade principles and procedures in services such as transportation, travel, insurance, communication, consultancy, etc., be upgraded and recompiled in forms of monotone regulations and according to the principles of this convention.
- 28- Plurilateral Agreements in all fields can be offered to all members through a general agreement.⁵⁹
- 29- Regulations for transparent and non-discriminative government procurements for both sides of seller and purchaser based on international tenders are to be compiled. Tender procedures

the multilateral trade agreements (MTAs) that are integral to the overarching Marrakesh Agreement Establishing WTO. That is when TRIPS enforced in 1995; it was as part of a composite set of trade agreements that are together binding on countries that choose to join WTO as members. The Agreement also incorporated significant elements of the multilateral intellectual property agreements of UN agency for intellectual property and World Intellectual Property Organization (WIPO). Hence, the TRIPs has dual characters of international trade law and international intellectual property (IP) law. TRIPS has also come to the fore in a wide range of international policy discussions – ranging over public health, biodiversity, environment, human rights, and other debates concerning policy settings for innovation, knowledge-based economic growth and technology diffusion.

Antony Taubman, Hannu Wager, Jayashree Watal, (2012). A handbook on the WTO TRIPs Agreement. Cambridge University Press. http://www.wto.org/english/res_e/publications_e/handbook_wtotripsag12_e.pdf

⁵⁶ - Most Favoured Nations (MFN) and National treatment stands for treating other partners including foreigners and locals equally.

WTO, Principles of the trading system: http://www.wto.org/english/thewto_e/whatis_e/tif_e/fact2_e.htm

⁵⁷ - WTO currently produces two series of trade monitoring reports on trade-related subjects covering all members and observers. There are also joint reports with Organization for Economic Co-operation and Development (OECD) and UN Conference on Trade and Development (UNCTAD) on trade and investment measures taken by G-20 economies. WTO, Trade monitoring: http://www.wto.org/english/tratop_e/tpr_e/trade_monitoring_e.htm

⁵⁸ - In Singapore Ministerial Conference (1996), WTO members decided to set up three new working groups: on trade and investment, competition policy, and transparency in government procurement. They also instructed WTO Goods Council to look at the possible ways of simplifying trade procedures (trade facilitation).

WTO, Investment, competition, procurement, simpler procedures:

http://www.wto.org/english/thewto_e/whatis_e/tif_e/bey3_e.htm#trade

⁵⁹ - After Uruguay Round, there remained four agreements, originally negotiated in Tokyo Round, which had a narrower group of signatories, and are known as “Plurilateral Agreements”. All other Tokyo Round agreements became multilateral obligations when WTO was established in 1995. The four agreements were trade in civil aircraft, government procurement, dairy products and bovine meat.

WTO, Plurilaterals: of minority interest: http://www.wto.org/english/thewto_e/whatis_e/tif_e/agrm10_e.htm

- should be open and made equal opportunities for all participants to enter the bid. Bid loser should have the right to challenge the tender conclusion. Regulations and results of government procurements should be accessible publicly.⁶⁰
- 30- Flow of payments and receipts should be in accordance with the flow of commodities and services transactions. In this regard, free transfer of money rules and other complementary measures⁶¹ should be compiled based on this goal and not on the base of harmful financial transfer of money and capital. Many capital transfers nowadays are done for the sake of beneficial harming or political-economic pressures purposes. In corresponding regulation, different cases and the immune solutions are to be considered and developed.
 - 31- To facilitate and make trade procedures simple, import licensing requirements and export procedures should be the same in all countries according to the new international regulations. Trade, exportation and importation rights and formalities are chapters to be included in this regulation.
 - 32- It is necessary to compile coherent directives and regulations to assure the health of imported foods. Moreover, to ensure that import restrictions have not been devised to protect domestic producer as an excuse for importing healthy food, plants and animals.⁶²
 - 33- Providing suitable environment and conditions to protect the health of human beings, animals and plants are necessary, but member of the convention should not apply those related tasks as an excuse to discriminate other members or arrange hidden trade barriers. A set of principles and rules should be legislated to ensure that the members' adopted healthy actions are justifiable and do not include unjustified barriers to international trade.⁶³
 - 34- Necessary regulations to make trade regulations transparent should be compiled according to this convention.⁶⁴
 - 35- The regulations of the convention should be compiled in accordance with the predictability principle⁶⁵ to oblige the members to behave predictable.

⁶⁰ - Pulilateral agreements in WTO are just signed among selective members, in contrary to multilateral agreements that are obligatory for all members.

WTO, Marrakesh Agreement Establishing the WTO: http://www.wto.org/english/docs_e/legal_e/04-wto_e.htm
WTO, Pulilateral trade agreements, Annex 4. WTO: http://www.wto.org/english/docs_e/legal_e/30-pluri.pdf

⁶¹ - In multilateral investment agreement, proposal and trade agreement of WTO, there are references to some of these aspects.

WTO, A Multilateral Agreement on Investment: Convincing the Sceptics. Staff Working Paper ERAD-98-05 June 1998. http://www.wto.org/english/res_e/reser_e/pera9805.doc

WTO, Marrakesh Agreement Establishing the WTO:

http://www.wto.org/english/res_e/booksp_e/analytic_index_e/wto_agree_01_e.htm

⁶² - To ensure that the country's consumers are being supplied with safe food, and safety regulations are not being used as an excuse for protecting domestic producers, an agreement was set on how governments can apply food safety and animal and plant health measures (sanitary and phytosanitary or SPS measures). The problem with SPS and SPA (Sales and Purchase Agreement) is that member countries' own standards are not identical worldwide.

WTO, Sanitary and phytosanitary measures: http://www.wto.org/english/tratop_e/sps_e/sps_e.htm

WTO, Trade policies and practices by measure, Trade policy review, WT/TPR/S/224:

http://www.wto.org/english/tratop_e/tpr_e/s224-03_e.doc

⁶³ - WTO, Sanitary and phytosanitary measures also consider this subject to some extent:

http://www.wto.org/english/tratop_e/sps_e/sps_e.htm

⁶⁴ - In WTO, transparency is achieved via two ways: governments have to inform WTO and fellow-members of specific measures, policies or laws through regular "notifications"; and WTO conducts regular reviews of individual countries' trade policies. According to article 10 of GATT 1994, all the laws, rules, resolved jurisdictions, and official procedures that are legislated by member countries and somehow are related to sell, distribution, transport, insurance, warehousing and assembling of commodities should be transparent.

WTO, Trade policy reviews: ensuring transparency:

http://www.wto.org/english/thewto_e/whatis_e/tif_e/agrm11_e.htm

⁶⁵ - Sometimes, promising not to raise a trade barrier can be as important as lowering one, because the promise gives businesses a clearer view of their future opportunities. Stability and predictability encourage investment and job creation, and consumers can enjoy the benefits of competition, choice and lower prices.

- 36- The regulations concerning public and non-public enterprises should oblige these institutions to behave non-discriminatively and transparently in information exchange.
- 37- Types of particular commitments of member countries are to be defined and corresponding necessary regulations should be compiled.
- 38- Observing special and differential treatments for least developing countries⁶⁶ is necessary to promote their terms of trade - at least up to specific development stages. Regulations of this principle should be recompiled according to this convention.
- 39- Directive regulations to capacitation and technical cooperation⁶⁷ in trade and related sectors, particularly about developing countries are considerable in this convention.
- 40- E-commerce includes transaction, marketing, distribution and delivery of goods and services through electronic devices and the Internet. E-commerce necessitates many changes in trade rules and intellectual property right in WTO. Regulating reliable mechanisms and procedures are considerable in this area according to the information and communication technology (ICT), data exchange and supporting systems standards should be based on the goals and content of this convention.
- 41- Regulations about trade and transfer of technology are to be compiled according to the goals of this convention.
- 42- Technical regulations and industrial standards are important but different in countries. Different standards cause problems for producers, consumers and traders. Moreover, if the standards are defined and determined voluntarily, this would be an excuse to protect domestic producers and prevent trade development.⁶⁸ Therefore, it necessitates legislating uniform regulations to coordinate technical regulations, standards, inspecting procedures, reciprocity certificates and other necessary supervisory rules.
- 43- Export promotion subsidies and protections should be measured and vanished gradually. Only those particular protections with no disturbing effect on trade and production are to be exempted. Particular protective and enhancement policies are such as guaranteed purchase

WTO, Predictability: through binding and transparency:

http://www.wto.org/english/thewto_e/whatis_e/tif_e/fact2_e.htm

⁶⁶- Developing countries need flexibility to implement WTO's agreements. GATT allows for special assistances and trade concessions for developing countries. In WTO, certain obligations would be difficult for developing and least-developed countries to implement. Therefore, many agreements provide "special and differential" treatment of developing and least-developed countries as:

- Provisions aimed at increasing trade opportunities for developing countries;
- Provisions which require WTO members to safeguard the interests of developing country members when adopting protective trade measures;
- Provisions allowing flexibility to developing countries in the use of economic and commercial policy instruments;
- Provisions granting longer transitional periods for implementation by developing countries of various commitments flowing from these agreements;
- Provisions of technical assistances to implement their commitments and to reap full benefits of Uruguay Round;

WTO, Special and Differential Treatment:

http://www.wto.org/english/tratop_e/sps_e/sps_agreement_cbt_e/c6s3p1_e.htm

WTO, Encouraging development and economic reform:

http://www.wto.org/english/thewto_e/whatis_e/tif_e/fact2_e.htm

⁶⁷- WTO agreements encourage development and economic reforms through some directive guidelines for less developed countries, but are not serious.

WTO, Encouraging development and economic reform:

http://www.wto.org/english/thewto_e/whatis_e/tif_e/fact2_e.htm

⁶⁸- Technical Barriers to Trade Agreement (TBT) tries to ensure that regulations, standards, testing and certification procedures do not create unnecessary obstacles, while also providing members with the right to implement measures to achieve legitimate policy objectives, such as protection of human health and safety, and environment. However, this agreement has taken great technical steps, but it does not introduce a uniform globally accepted standards and rules.

WTO, Technical barriers to trade: http://www.wto.org/english/tratop_e/tbt_e/tbt_e.htm

- prices, minimum price stabilization and control, etc. for essential products.⁶⁹
- 44- Regarding the role of trade in services, and high volume of services in world trade, recompilation of related regulations is necessary according to the goals of this convention.⁷⁰
 - 45- Environmental measures and arrangements affecting trade such as production and refinement processes, packing measures, environment labels tagging, and environment taxes should be compiled respecting to sustainable consumption, production and development.⁷¹
 - 46- Customs evaluation agreement of WTO is to be extended and developed toward a global uniform rule.⁷²
 - 47- WTO's procedure to settle possible disputes⁷³ should be changed according to the goals and rules of this convention.
 - 48- Principles and rules that protect high internationally competitive sectors are to be compiled. In this respect, special considerations for treating developing countries are of most important subjects.
 - 49- Free transit of goods is essential for trade. Barriers to this freedom increase trade inefficiencies. Uniform regulation for free transit of goods is to be compiled according to this convention.
 - 50- Regional arrangements regulations should be compiled according to this convention.
 - 51- Safeguard measures and countervailing measures are to be compiled according to the content of this convention. Safeguard actions (about importation) should be established according to specific standards, without bias.⁷⁴
 - 52- Food is usually considered the same as other goods, and no distinction is made between essential needs and luxury goods. Human being has biological needs for food, which is quite different from his secondary needs of other stuff and commodities. He needs food just like air and water to survive while food is supplied like other goods in the market. In addition to people dying because of war and homelessness, some other people die because of famine, starvation, chronic malnutrition and diseases thereof; or their lives become shortened; and suffer more. Children also suffer from low mental and bodily growth due to lack of food or malnutrition that threaten their future. As a result, humankind wastes a portion of human energy and resources, which decreases the global economy aggregate supply. In this regard, international laws and regulations in the field of international trade should be compiled and legislated to prevent aliment speculation and facilitate feeding the hunger as obligation to preserve and promote the vital rights of human being around the globe.⁷⁵

⁶⁹- WTO Agreement on Subsidies and Countervailing Measures disciplines the use of subsidies, and regulates the counter actions of countries to deal with the effects of subsidies.

WTO, Subsidies and countervailing measures: http://www.wto.org/english/tratop_e/scm_e/scm_e.htm

⁷⁰- Services as the largest and most dynamic component of economies serve as crucial inputs to production of most goods. Their inclusion in Uruguay Round of trade negotiations led to General Agreement on Trade in Services (GATS).

WTO, Services trade: http://www.wto.org/english/tratop_e/serv_e/serv_e.htm

⁷¹- WTO has no specific agreement dealing with environment, but members can adopt trade-related measures aimed for protecting environment through providing some conditions to avoid the misuse of such measures.

WTO, Trade and environment: http://www.wto.org/english/tratop_e/envir_e/envir_e.htm

⁷²- WTO agreement on customs valuation aims for fair, uniform and neutral valuation of goods for customs purposes -a system that conforms to commercial realities, and outlaws the use of arbitrary or fictitious custom valuation. The Committee on Customs Valuation of the Council for Trade in Goods (CGT) carries out customs valuation in WTO.

WTO, Customs Valuation: http://www.wto.org/english/tratop_e/cusval_e/cusval_e.htm

⁷³- WTO, Dispute settlement: http://www.wto.org/english/tratop_e/dispu_e/dispu_e.htm

⁷⁴- Safeguard measures, Voluntary Restraint Arrangements (VRAs), Voluntary Export Restraints (VERs), Orderly Marketing Arrangements (OMA), Countervailing Measures etc. are considered in WTO.

⁷⁵- FAO (Food Production Outlook) predicts a hunger tsunami for 9 billion people of the world in 2050. It has been mentioned in this report that in order to cope with this crisis in 2050, the rules and socio-economic frameworks should be changed to prevent imbalanced distribution of agricultural products. However, within the first half of the 21 century,

- 53- Pre-shipment inspection is done by private inspection companies or independent institutes about details of shipment, price, quantity and quality of the ordered goods.⁷⁶ WTO's Pre-shipment Inspection (PSI) rules should be uniformly defined for all countries.
- 54- Generally, the Rules of Origin should not be used as direct or indirect instrument to discriminate trade. Rules of Origin regulation should be recompiled non-discriminatively.⁷⁷
- 55- Import licensing procedures⁷⁸ are restrictive and cause many checks and measures to protect producers or consumers. These procedures should be redefined according to this convention.

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amount of food needs to be doubled, where world temperature will increase, agricultural production capacity will decrease, while demand for these products will also increase. Hence, if we do not think essentially to solve this problem, the hunger crisis will be indispensable. FAO study shows that in order to feed 9 billion people in 2050, we need to increase agricultural production by 70%, and most of this increase should be in vital strategic products such as grains. One of the instances that FAO proposes is equal distribution of food and resources. According to the FAO report, grain production, which is about 2.1 billion tons per year now, should be increased by one billion ton. Meat production should increase from 200 million tons to 470 million tons in 2050. Out of these production, about 72% of this amount will be spent in developed countries, while, now, it is 58% of total meat production. The report makes this clear that in order to eliminate hunger in 2050, it is necessary to increase investment in agriculture by 60% until 2050. It may be pointed out here that the Human Right Declaration in 1948 considers not being hungry and removal of malnutrition as an integral part of human rights, which has been again confirmed by Children Right Convention in 1989, but UN and global community have not taken any decisive action about this problem yet.

Fred Magdoff, The World Food Crisis: Sources and Solutions, Monthly Review, May 2008.

⁷⁶- WTO PSI agreement recognizes the principles of GATT agreement to safeguard national financial interests such as prevention of capital flight and commercial fraud as well as customs duty evasion and inadequacies in administrative infrastructures.

WTO, Preshipment Inspection: http://www.wto.org/english/tratop_e/preship_e/preship_e.htm

⁷⁷- Determining where a product comes from is no longer easy when raw materials and parts crisscross the globe to be used as inputs in scattered manufacturing plants. Rules of origin are important in implementing trade instruments as anti-dumping and countervailing duties, origin marking, and safeguard measures.

WTO, Rules of origin: http://www.wto.org/english/tratop_e/roi_e/roi_e.htm

⁷⁸- WTO agreement on Import Licensing Procedures (ILP) asserts that import licensing should be simple, transparent and predictable so as not to become an obstacle to trade. For example, the agreement requires governments to publish sufficient information for traders to know how and why the licenses are granted. It also describes how countries should notify WTO when they introduce new import licensing procedures or change the existing procedures.

WTO, Import licensing: http://www.wto.org/english/tratop_e/implic_e/implic_e.htm

⁷⁹- His Excellency Hajj Molla Sultan-Muhammad Beidokhti Gonabadi Sultan Ali Shah. Bayan-a-Sa'adah-fi-Maqamat-al-Ibadah, Tehran University Publications. 1965. <http://www.sufism.ir>

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