

An Islamic model proposal to achieve trade justice for small-scale producers in Muslim countries

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Abstract:

The study aimed to illustrate the forms of economic injustice that small producers in Muslim countries faced, and to propose a new model to achieve trade justice. The study concluded that small producers in Muslim countries can't access to fair prices or international markets. This situation led to the emergence of the (fair-trade) system which does not adhere to the rules of Islamic law.

The study, therefore, proposed a model called (Good Trade- Taibat), that meets the requirements of Islamic Sharia and achieves productive and trade justice at the same time, and suggested that the OIC adopt its application.

Keywords: Fair Trade, Free trade, Trade Justice, Fair price, Small producers.

Jel Classification Codes: B17, Q27, J54, D63

ملخص:

تهدف الدراسة إلى توضيح أشكال الظلم الاقتصادي التي يواجهها صغار المنتجين في الدول الإسلامية، واقتراح نموذج جديد لتحقيق العدالة التجارية. خلصت الدراسة إلى أن صغار المنتجين في البلدان الإسلامية لا يمكنهم الحصول على الأسعار العادلة أو الوصول إلى الأسواق الدولية. أدى هذا الوضع إلى ظهور نظام (التجارة العادلة) الذي ينتشر في أغلب الدول الإسلامية، إلا أنه لا يلتزم بقواعد الشريعة الإسلامية.

لذلك اقترحت الدراسة نموذجًا يسمى (طيبات – التجارة الطيبة)، يلبي متطلبات الشريعة الإسلامية ويحقق العدالة الإنتاجية والتجارية في الوقت نفسه، واقتُرحت الدراسة أن تقوم منظمة التعاون الإسلامي باحتضان وتطبيق هذا النموذج.

كلمات مفتاحية: التجارة العادلة، التجارة الحرة، العدالة التجارية، السعر العادل، صغار المنتجين.

تصنيف JEL: B17, Q27, J54, D63

1. INTRODUCTION

International Trade plays an important role to boost economic and social development, enhance the real economy and reduce poverty of developing countries by increasing investment opportunities, expanding the productive base and strengthening the private sector's role.

Trade also enhances competitiveness by reducing inputs' cost, diversifying exports, accessing new markets and supporting economic sectors that create stable jobs and improve the lives of small producers (COMCEC, 2016).

Study Problem:

Divergent economic levels among countries under trade liberalization policies have led to an increase in the inequities experienced by developing countries in international trade. The least developed countries (LDCs) accounted for only 0.97% of total world merchandise exports in 2015 and 0.4% of service trade for the same year.

In this situation, small producers in developing countries -including Muslim countries- are subjected to many forms of injustice. While Islamic law holds clear principles and values specific to trade that can offer an Islamic approach to trade justice, there was no active presence of an applied Islamic model to achieve trade justice and provide fair prices to small producers in Islamic countries.

Importance of study:

The importance of the study comes from the fact that it proposes a business model that responds to the requirements of Islamic Sharia, on the one hand, and achieves productive and trade justice, on the other hand, by rooting it on clear and flexible Islamic principles and foundations, confirming the comprehensiveness of Islamic thought in ensuring the achievement of trade justice, which guarantees the rights of both Producers and consumers, offering various alternatives to productive financing in accordance with Islamic law.

Objectives of the study:

The research aims to clarify the Islamic vision of the concept of trade justice, in addition to establishing a proposed Islamic model for the application of trade justice for small producers in Islamic countries, characterized by adherence to the provisions of Islamic law in the field of production and trade, and promotes the principles of justice in trade.

Study Methodology:

The study adopted a descriptive analysis approach based on secondary sources of data and statistics. And it also relied on the reference to the Koran and Sunnah and

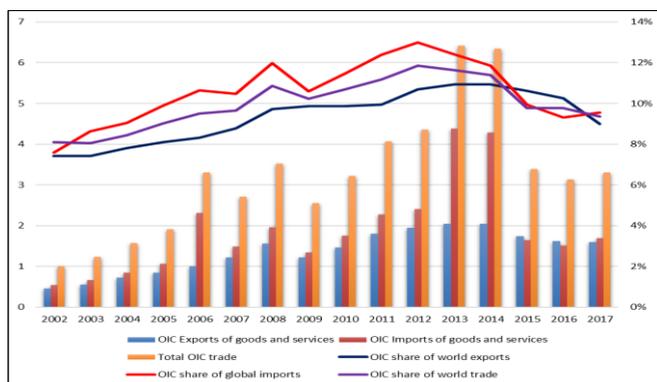
the results of studies that dealt with trade justice.

The research includes a presentation of the most important indicators of trade in Islamic countries, the status of trade justice in Islamic countries, the most prominent Islamic efforts in the field of trade promotion, and finally the definition of the proposed Islamic model "good trade" including its objectives, characteristics, funding sources, and the regulatory framework necessary to implement the proposed model.

2. Trade in Islamic countries

The OIC has a membership of 57 countries. The trade of Islamic countries reached US \$ 3.3 trillion in 2017, accounting for 9.35% of total world trade, which indicates a little share and a weak contribution. Figure (1) shows Islamic countries trade volume during (2000-2017), and their share of world trade.

Fig.1. Evolution of Islamic countries' trade volume in US \$ trillion (2000-2017) and their share of world trade



Source: <http://wits.worldbank.org>

The previous figure shows that the volume of international trade of Islamic countries exposed a significant fluctuation during the period under study. It increased between (2000 – 2008) and then declined as a result of the global financial crisis. However, the volume of trade has recovered rapidly from the consequences of the crisis in 2014, falling sharply in 2015, 2016 driven by lower commodity prices and the collapse of oil prices.

The slowdown in China's growth has been a factor in the decline in the volume of trade in Islamic countries, as China is the most important trading partner of these countries (COMCEC, 2016). This sharp decline in the trade of Islamic countries led to a decline in the contribution of these countries to the total world trade from 10.28% in 2015 to 9.32% in 2017.

Crude oil exports account for 44% of the exports of Islamic countries in 2015, and the primary commodities account for 13.8%. Thus, the remaining percentage of industrial exports is limited to 42%. Whenever, the contribution of Islamic countries to the world industrial exports is only 2.5%, Which is a very small percentage, leading to the vulnerability of these countries to the shocks of sharp changes in the prices of oil and commodities. In addition, industrial exports are the most reliable in the development of the real economy of the country (COMCEC, 2016).

3. Trade justice in Islamic countries

Since the application of the principles of trade liberalization under the GATT and then the World Trade Organization (WTO), and although the proclamation of the supporters of trade liberalization to increase the economic growth of all countries and reduce the poverty rates, there has been a situation of injustice between developing countries including Islamic countries' Producers.

3.1. The absence of justice in Trade and production

44 out of 57 Islamic countries joined the (WTO) with more than a quarter of the WTO's 162 Member States. With the fact that WTO members account for 97% of the world economy (ISCDT, 2017), the share of Islamic countries in world GDP does not exceed 15% in 2015 (SESRIC, 2016).

The average unemployment rate in Muslim countries was 9.3% in 2017, the share of OIC countries in world total labor force is 19.7% in 2016 (SESRIC, 2017), the percentage of the poor is 33.1% of the world's poor, and the growth rate in Muslim countries was 3.1% in 2015, while GDP per capita growth was 2.2% Same year, and the average external debt was 22% of GNI in 2014 (SESRIC, 2016).

At the level of Trade justice, the small producers in Islamic countries face several obstacles that make them far from benefiting from the proceeds of trade. The most important of these obstacles is the difficulty of access to markets, except through intermediaries. They buy products from small producers at low prices and sell them at international prices, Resulting in injustice and exploitation of these producers (Nicholls, 2005).

As small farmers lack the guarantees required by banks to provide loans to cover operating expenses and purchase of agricultural inputs and fertilizers, they have difficulty accessing credit sources and limited access to finance. Often forcing them to resort to local lenders who provide loans on very difficult terms coupled with high-interest rates (FAO, 2017).

On the level of production justice, it is enough to demonstrate the absence of justice in both the cocoa and cotton production sectors in some Muslim countries, where the worst forms of child labor occur.

In the area of cocoa production, children in Côte d'Ivoire work in cocoa production plants under extremely hazardous and hardship conditions. According to UNICEF, some 200,000 to 800,000 children have trafficked annually from Mali to work on cocoa farms in Côte d'Ivoire, working unpaid for hard work that is not commensurate with their age and severely beaten (Chanthavong, 2002).

In the area of cotton production, more than 1 million children in Egypt work on cotton farms more than 11 hours a day, with temperatures up to 40 ° C, beaten and health hazards from pesticide spraying (Parekh, 2001). About 2 million children are forced to leave school for cotton harvesting in Uzbekistan and are at risk of death and serious illness (Williams, 2010).

In its annual report on the state of food and agriculture, FAO points out that increasing demand for food comes at the expense of farmers and smallholder producers. The dominance of large commercial farms and value chains on the food market in developing countries leads to the exclusion of about 85% of small-scale farmers - who usually have less than 2 hectares - of the global market; they have difficulty competing with them (FAO, 2017).

3.2. (Fair-Trade) System

These constraints have led to the emergence of a (Fair-Trade) movement in response to the vulnerability of small producers in poor countries negatively affected by trade liberalization. The evolution of the movement was carried out in several stages, culminating in the establishment of the World Fair-Trade Organization and Fairtrade Labeling Organizations International (WFTO) in 1989. The organization is an international non-profit organization, operating in more than 75 countries across the globe (Khairy, 2013).

The organization seeks to overcome the constraints faced by small producers in developing countries by providing direct access to global markets, without trade intermediaries, and thus able to obtain fair prices for their products.

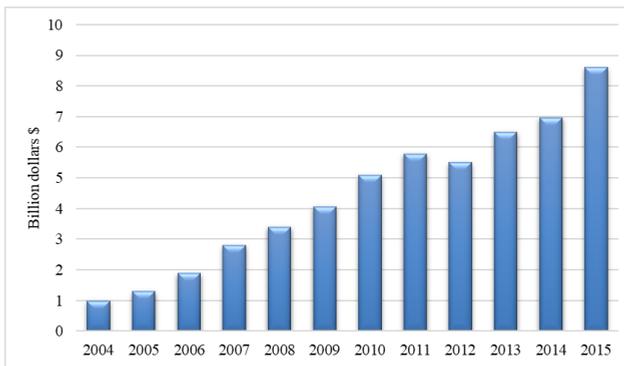
The principles of (Fair-Trade) are ten basic principles:

Creating opportunities for economically disadvantaged producers, transparency and accountability, encouraging the fulfillment of trade obligations, fair price, regulating child labor and countering forced labor, non-discrimination, quality justice and freedom of association, providing workers with safe working

conditions; Enhancing environmental sustainability (WFTO, 2009).

The number of organizations involved in the (Fair-Trade) system is 1,240, with 1.6 million small producers, distributed among 75 countries, including 51 Islamic countries. The volume of sales of (Fair-Trade) products is estimated at \$ 8.6 billion in 2015, representing 0.026% of the total world trade, which is very limited due to the modernity of this system, on the one hand, and its weak spread, on the other; based on voluntary organizations that did not gain official status in their countries (WFTO, 2016). Figure (2) shows the growth in the volume of (Fair-Trade) sales during the period (2004-2015).

Fig.2. Evolution of the volume of (Fair-Trade) sales in billion dollars (2004-2015)



Source: <https://www.wfto.com/>

From the previous figure, (Fair-Trade) sales rose from \$ 983 million in 2004 to \$ 8.6 billion in 2015, more than sevenfold, but remain very low in world trade.

3.3. (Fair-Trade) and sustainable development:

Advocates of the (Fair-Trade) Movement maintain that the application of justice standards will achieve sustainable development in production and trade at the level of social development, economic growth and environmental development through the following means:

- Fair price: (Fair-Trade) offers a fair price for producers, which represents the lowest price the buyer must pay for the product, covering the costs of sustainable production.
- Higher yield: The buyer pays the producer an amount greater than the minimum price, in order to support the producers. These revenues are invested in social, environmental and economic development projects such as education, health care and agricultural tools.
- Pre-financing: (Fair-Trade) encourages small-scale producers in developing countries to obtain financing that enables them to carry out production on

concessional terms.

- Environmental sustainability: The (Fair-Trade) system ensures that production is environmentally sustainable; (Fair-Trade) standards prohibit the use of genetically modified seeds and environmentally harmful production practices (Khan & Thaut, 2008).

3.4. Principles of Trade Justice in Islamic Economic Thought

Justice is one of the most important principles of trade in Islam. Islam has denied all forms of injustice and exploitation in the commercial process, whether it is for the producer, consumer or intermediary trader. If we look at Islamic teachings, they support (Fair-Trade) practices, such as fair price, protecting the vulnerable from economic exploitation, asserting workers' rights, and preventing harmful production practices. Social justice is the hallmark of Islam.

Allah said: "O you who have believed, be persistently standing firm for Allah, witnesses in justice, and do not let the hatred of a people prevent you from being just. Be just; that is nearer to righteousness. And fear Allah; indeed, Allah is Acquainted with what you do" (Q: 5: 8), "Allah loves those who act justly" (Q: 49: 9). Trade justice in Islam has several principles, the most important of which are:

3.4.1. Warning of the aspects of injustice and eating people's money wrongly

Allah said: "And do not consume one another's wealth unjustly or send it [in bribery] to the rulers in order that [they might aid] you [to] consume a portion of the wealth of the people in sin, while you know [it is unlawful]" (Q: 2: 188).

There are several aspects of injustice, such as the dilution of the weight and the weight of the people, and the things of them. Allah said: "And to [the people of] Madyan [We sent] their brother Shu'ayb. He said, "O my people, worship Allah; you have no deity other than Him. There has come to you clear evidence from your Lord. So, fulfill the measure and weight and do not deprive people of their due and cause not corruption upon the earth after its reformation. That is better for you, if you should be believers" (Q: 7: 85). Islam also forbade all forms of gharar (deception) in selling, riba (Usury) and monopoly, and other aspects of injustice and commercial fraud.

3.4.2. Fair price

The (Fair-Trade) advocates have insisted on paying the fair price to the producers, pointing out that the idea of a fair price was created by St. Thomas Aquinas (1225-1274), who stated that the application of the fair price is imposed as a religious obligation. The product meets its basic needs (Nasser, 2007). Aquinas did not,

however, experience how to determine this fair price. After the emergence of the School of Freedom of Trade by Adam Smith became the strongest, and there is no talk of the fair price until the emergence of (Fair-Trade) movement.

In Islam, conciliation is the basis of commercial transactions, Allah said: "O you who have believed, do not consume one another's wealth unjustly but only [in lawful] business by mutual consent" (Q: 4: 29).

In the Sunnah (Jabir (May Allah be pleased with him) reported: The Messenger of Allah (peace and blessings of Allah be upon him) said: "May Allah show mercy to a man who adopts a kind attitude when he sells, buys and demands for the repayment of loans" (Al-Bukhari).

So, the fair price includes the satisfaction of both seller and buyer, without prejudice to either.

Many of the scholars of Islam were exposed to the idea of a fair price and treated it, beginning with Imam Ali ibn Abi Talib (may God be pleased with him) (23 BC - 401 = 599-661 AD), who wrote in his letter to the Ashtar al-Naqa'i when he became governor (Wali) of Egypt "Let the sale be permissible, with the scales of justice, and the prices are not unfair to the two teams, from the seller and the inventor" (Ali bin Abi Talib, 1885). Abu al-Fadl al-Dimashqi, Ibn Taymiyyah, Ibn Qayyim al-Jawziyya and Ibn Khaldun also discussed the idea of a fair price and its determinants.

3.4.3. Emphasize the rights of workers and small producers

It was narrated from 'Abdullah bin 'Umar that the Messenger of Allah (peace and blessings of Allah be upon him) said: "Give the worker his wages before his sweat dries" (Narrated by Ibn Majah and classed as saheeh by al-Albaani). And the order to give it before the drought of sweat is a metaphor for the need to initiate after the vacuum of work.

3.4.4. Fulfillment of commercial contracts

Allah said: "O you who have believed, fulfill [all] contracts" (Q: 5: 1). And Kathir bin 'Amr bin 'Awf Al-Muzani narrated from his father, from his grandfather, that the Messenger of Allah (peace and blessings of Allah be upon him) said: "Reconciliation is allowed among the Muslims, except for reconciliation that makes the lawful unlawful, or the unlawful lawful. And the Muslims will be held to their conditions, except the conditions that make the lawful unlawful, or the unlawful lawful" (Jami` at-Tirmidhi- 1352).

Islam has even been urged to write and document financial transactions and bring witnesses to ensure financial rights, Allah said: "O you who have believed, when

you contract a debt for a specified term, write it down. And let a scribe write [it] between you in justice" (Q: 2: 282), It was narrated that Ibn 'Umar (may Allaah be pleased with him) If he sold with cash money, he used to bring witnesses and if he sold a deferred sale, he wrote it and brought witnesses. (Al-Muhala, Ibn Hazm: 8/344).

3.4.5. Preventing trade in prohibited goods

The Sharia forbade the trading of all that harms people. The Qur'an clearly defined the forbidden foods and drinks , Allah said: "Prohibited to you are dead animals, blood, the flesh of swine, and that which has been dedicated to other than Allah, and [those animals] killed by strangling or by a violent blow or by a head-long fall or by the goring of horns, and those from which a wild animal has eaten, except what you [are able to] slaughter [before its death], and those which are sacrificed on stone altars, and [prohibited is] that you seek decision through divining arrows. That is grave disobedience" (Q: 5:3).

The verse indicates that the ten forbidden foods that are not permissible to eat are: dead, blood, pork, the sacrifices that the name of God was not mentioned upon slaughter, and which was choked to death, and which hit to death, and what fell from a high place and died, and what was gored by another animal to death, and all that was sacrificed to glorify other than God. In drinks, alcohol is forbidden, and everything hurts mind and makes man drunk.

And what is forbidden (haram) to deal with it is haraam to sell it and exchange it for trade. Therefore, the trade exchange in Islam is limited to permissible and good things.

3.4.6. Maintaining environmental sustainability

Islam directed to take care of the environment, stopped corruption in the land, and called for rational exploitation of the resources of the environment, and conservation. Islamic care is divided by preserving the environment to the care of reconstruction and revival, as in the hadeeth of the prophet Mohamed, Aisha Narrated: The Prophet (peace and blessings of Allah be upon him) said: "He who cultivates land that does not belong to anybody is more rightful (to own it)", and Urwa said: "Omar gave the same verdict in his Caliphate" (Narrated by al-Bukhaari), (Momani, 2006).

3.4.7. Diversity of forms of productive finance

While financing for producers in the (Fair-Trade) system is limited to a 1% interest rate loan, the financing of producers in Islam includes multiple formulas

such as murabaha, salam, Istisna'a, agriculture, etc., all of which are free of riba, harm and gharr. (Azi, 2002).

3.5. (Fair-Trade) Movement in the Balance of Islam

The (Fair-Trade) system is widely practiced in many Islamic countries (excluding the Arab Gulf countries). The organization has branches in most Muslim countries, including the Egyptian (Fair-Trade) Organization, which focuses on small craftsmen, and the Palestinian (Fair-Trade) Organization, which directs its attention to olive producers in the occupied territories.

Of note is the presence of the regional (Fair-Trade) organization in the Middle East region in Lebanon, and one of the programs that the organization pays attention to is the viticulture and wine production program. Hence, this system does not differentiate between production and trade between permissible and other prohibited goods. It also provides financing to producers in the form of riba-based loans (Khairy, 2013).

4. Islamic efforts in the field of trade

The efforts of the Organization of Islamic Cooperation (OIC) and its affiliated institutions to promote trade in Islamic countries stand out. The Organization is also interested in promoting Halal trade, and several Halal products have already been established around the world.

All these efforts are directed at the legitimacy of products exchanged in trade, but they do not pay attention to productive or trade justice or empower small producers or provide a fair price as recognized by (Fair-Trade).

Although the Islamic Development Bank (IDB) and the Islamic Trade Finance Corporation of Islamic Countries (IFFC) provide financing to promote trade and promote small enterprises, access to small producers and helping them to access international markets directly and deliver fair prices remains a distant dream.

In view of the absence of an institutional framework that establishes the legal bases and standards that should surround (Fair-Trade) Practices in Islamic Countries, this paper proposes an Islamic model, or an integrated Islamic system aimed at achieving trade justice for small producers in Islamic countries with clear legal controls in production, finance and trade.

This model seeks to overcome what the (Fair-Trade) system contains of legitimate prohibitions, on the one hand, and the development of Islamic trade and increase its share in international trade, on the other, and the empowerment of producers and provide a fair price for them, on the third.

5. The proposed Islamic model "good trade"

The study offers a proposal to name this system (Good Trade) (Taibat), since it is a system that takes care of everything that is good and Sharia compliant, whether in production, finance or trade, within the framework of trade justice.

If the Halal trade system has succeeded in spreading in the countries of the world, even in the non-Islamic countries with the brand "Halal", the system proposed by the study aims to achieve proliferation in all countries, regardless of whether they have a Muslim majority or not.

5.1. Definition of (Good Trade)

(Good Trade) (Taibat) refers to all kinds of legitimate trade in which all parties of the trade process are committed to Islamic law:

- On the side of the production process: it works to empower small producers and safeguard the rights of workers involved in the production process.
- In the side of products: it works to produce all that is good and only beneficial and all that adds value to the real economy and leads to sustainable development that respects the rights of future generations and protects the environment.
- On the financing side: Sharia compliant forms of financing are provided directly to small producers rather than to major corporations.
- On the trade side: it ensures that the producer obtain the fair price, direct access to markets, while adhering to the principles of trade justice, and Islamic ethics such as honesty and commitment to contracts.
- On the consumer side: Consumers, whether Muslim or non-Muslim, are encouraged to buy products of this system in support of small producers in developing countries.

5.2. Objectives of the (Good Trade) (Taibat) system

The establishment of this trade system is aimed at:

5.2.1. Achieving trade justice in Islamic countries

This objective can be achieved by reducing the economic disparities among the Islamic countries on the one hand and achieving the self-sufficiency of the Islamic countries by enhancing intra-OIC trade, on the other. And to move strongly towards achieving economic integration among Islamic countries and establishing a common Islamic market.

5.2.2. Establishment of an internationally recognized brand

At the same time that the (Fair-Trade) system succeeded in determining international adoption of its products, as well as the international adoption of halal

products, the proposed model for (Good Trade) aims to establish a registered and internationally recognized brand, to be awarded to products produced according to the (Good Trade) system, that is, the approval of Islamic law, and achieve the principles of (Fair-Trade) for both producer and consumer and trader.

5.3. Advantages of the proposed model

Some may wonder, and what is the new offered by this trading system considering the multiplicity of trade systems deployed in Islamic countries and other countries? We have mentioned before that the (Fair-Trade) system does not abide by the legal controls in production and finance, and that the Halal trade system does not guarantee trade fairness and that the free trade system has harmed the interests of small producers in developing countries (Khairy, 2013). By taking advantage of all the common trade systems, and avoiding their negative aspects, we are disciplined by the rules of Islamic law that provide a civilized trading system that does not include any kind of unfairness to all parties to the trading process.

The main advantages of the proposed (Good Trade) system can be summarized as follows:

5.3.1. Comprehensive production standards

Means that the products within this system are adopted in a comprehensive manner to all the economic, social, ethical, environmental, employment and legitimacy standards that derive from Islamic cultural values, as follows:

- The economic criteria include determining the fair price that does not oppress the producer and consumer, determining the role of the organizations of small producers in marketing and supporting production, guaranteeing the rights of workers and small producers (artisans and farmers) in the registered contracts and working on empowering small producers in financing, support, training or marketing.
- Social and ethical standards: include combating all forms of injustice and marginalization. Production in this organization sets standards that ensure equality between men and women producers of rights obligations in the context of adherence to the principles of Islamic law, and works to empower women and rationalize child labor, and non-discrimination on the level of ethnic origins, gender, religion or social level.
- Environmental standards: These standards ensure the protection of the environment by following the sound environmental practices adopted by Islamic law to protect public health and the rights of future generations, including banning the use of chemical pesticides, rationalizing water use, preventing soil erosion and

restricting harming genetic engineering.

Employment standards: These include employment and wage policies, protection of workers' rights, and occupational and health safety measures, as recognized by Islam.

- Sharia Standards: These standards revolve around compliance with the provisions of the Sharia in the production of favors, and away from malignancies and impurities. These standards should include the provision of forbidden types of food and beverages, whether traditional or modern, and the specification of the production of foods manufactured in accordance with Islamic law (Sharia).

5.3.2. Including the values of productive and trading justice

Productive and trading justice is to prohibit injustice to all parties in the trading process. Producers under this system are protected by their rights, to prevent forced labor, to have all the rights to fair wages that are sufficient and to obtain fair prices for their products. On the other hand, the consumer gets a healthy and environmentally safe product at a fair price.

5.3.3. Providing Sharia-compliant financing opportunities

Under this system, producers enjoy access to finance in accordance with Islamic law, free of usury (Riba), fraud and all forms of trading injustice.

Under this system, the producer benefits from the various forms of Islamic finance such as Salam, sharing (Musharaka), Istisna'a, Murabaha, ..., etc., as well as multiple financing institutions such as Islamic banks, cooperative societies and Islamic finance houses.

In order to ensure compliance with Sharia standards, this system proposes the establishment of a mandatory Sharia Supervisory Board, which monitors the financing behavior of donors and reviews contracts between the producer and the buyer to ensure compliance with the provisions of the Islamic Sharia.

5.4. Institutional framework of the proposed model

In order to work on transforming this idea into reality, the study proposes an institutional framework for the application of this system, taking advantage of existing institutions within the framework of the Organization of Islamic Cooperation, and establishing new specialized institutions according to a hierarchical structure, as follows:

5.4.1. Level 1: The World Islamic Organization for (Good Trade) (Taibat)

The International Islamic Organization for (Good Trade) (WIOGT- Taibat) represents the legal umbrella that oversees the development of the general

framework for the implementation of the (Good Trade) system. It also distributes tasks to other institutional bodies and monitors their implementation. The Organization can use the various international Islamic bodies to complete the regulatory framework necessary to implement the proposed model. This Organization is directly affiliated with the Organization of Islamic Cooperation (OIC) as one of its subsidiary organizations.

5.4.2. Level II: It includes three bodies emanating from the International Islamic Organization for (Good Trade), and each branch has several institutional bodies representing the third level of the hierarchical structure of the (Good Trade) system, as follows:

5.4.2.1. Islamic Organization for Control, Audit and Accreditation

This organization sets standards for the adoption of (Good Trade) products and monitors the discipline of the production process through legal controls. Therefore, the organization has two subsidiary bodies:

5.4.2.1.1. Sharia Supervisory Board for Good Trade

The Sharia Supervisory Board monitors the legitimacy of financing, production and marketing operations, as well as compliance with the Sharia standards adopted by the (Good Trade) model. (The Islamic Fiqh Academy) can be the official body to select the members of the Supervisory Board from its members.

Therefore, the Sharia Supervisory Board is expected to play two main roles in the (Good Trade) system:

- To become the supreme legal reference for all parties and organizations of the system, so that they can be consulted to determine the legitimacy of any action taken within the system, whether at the level of finance, production or marketing,
- To appoint the Sharia Supervisory Boards within the branches of the World Islamic Organization for Good Trade (WIOFGT- Taibat), both internationally and locally, so that there is no moral influence between the organization and the supervisors. The latter is impartial in evaluating the work of these branches legally.

5.4.2.1.2. Islamic Organization for the Adoption of (Good Trade) Products

This organization sets standards for product approval, defines the rules and procedures for obtaining the approved brand of the model, and continues to monitor their compliance with standards; the extent to which the products comply with specified standards and standards is tested.

The Organization can do its work with The Standards and Metrology Institute for the Islamic Countries (SMIIC) of the Organization of the Islamic Conference (OIC), which is a mechanism for harmonizing standards among Islamic countries,

preparing new standards and laboratory activities among Islamic countries.

At the local level, standards and quality agencies in most Muslim countries can contribute to the identifying of standards for products (agricultural or handicraft) adopted in the (Good Trade) system and can follow up the commitment of local producers to these standards, which is possible for associations of small producers Also done at the local level.

5.4.2.2. Islamic Organization for Productive Finance

The (Good Trade) system relies heavily on the facilitation of Islamic finance for small producers, whether farmers or artisans. In the absence of a Halal trade model to interest producers and finance them, and the organizations of the (Fair-Trade) system provide interest loans to producers on the other hand, The Islamic organization for Productive Finance of (Good Trade) with the task of facilitating the financing of producers.

It is not necessary for this body to have its independent resources at the time of its establishment. It can also benefit from the services provided by the Islamic Development Bank. This body is the mediator that establishes a general framework for financing producers and following up its implementation in the various Islamic countries through loans provided by the Bank for various projects. There are many local institutions that can contribute to the financing of producers in individual countries under the supervision of the productive finance authority, including Islamic banks (for the financing of the Salam, Istisna'a ... and other forms of financing) and Islamic institutions for microfinance (which provide small loans for administration fees free from usury) , cooperatives and small-scale producer associations (which can act as intermediaries between large MFIs and small producers; as many banks and financial institutions are reluctant to lend or finance producers due to the weakness or lack of guarantees they can provide).

The Finance Authority can also benefit from the activation of Zakat and Waqf institutions to increase their resources that contribute to the financing of small producers:

- The Zakat institutions: Many of the jurists have authorized the financing of small producers from the channels of spending Zakah (poor and needy), on the basis that the poor and the needy lack basic needs in life, and the most important human needs the right to a decent life. If the Zakat Foundation is spent on the poor and the needy, to spend on the small productive project that continues to benefit the individual and society and gives the poor and the needy of the Zakat funds

without charge, it is permissible to invest Zakat funds in financing small projects (Farhan, 2005).

As for Waqf institutions: the Waqf has contributed throughout the Islamic history in supporting merchants and small and medium-sized professionals by providing endowment funds and loans. For example, the fund, which was located in the city of Fas, loans people without interest. It contains 1,000 ounces of gold over time, it became extinct, and part of some endowment resources were devoted to lending to small farmers to be producers rather than recipients of subsidies and loans to small artisans or small traders (age 2000).

Thus, Islamic Waqf institutions can contribute to the financing of small producers in the (Good Trade) system.

5.4.2.3. Islamic Organization for the Promotion and Development of Good Trade

This organization is specialized in supporting small producers and providing them with access to Islamic and international markets, conducts research and field studies, and promotes the importance of (Good Trade).

The Organization therefore has three main bodies:

5.4.2.3.1. Promotion of marketing of good trade products

The Commission works to promote (Good Trade) products in the Islamic world, as well as at the international level, taking advantage of the expansion of the market for Halal products globally, on the one hand, and the market of (Fair-Trade) products on the other.

The Commission also plays an active role in providing information on investment opportunities for Muslim businessmen, through which they can work to finance small producers through small and large investment projects to operate these producers and establish exhibitions to market these products.

The Commission can also contribute to the promotion of intra-OIC trade by encouraging rich countries to import agricultural and handicraft products from small producers in poor countries, provided they adhere to the criteria set out in the proposed model, as well as coordinate with international organizations, to promote trade opportunities between Islamic countries and countries around the world.

The Commission can therefore play an important role in strengthening the markets of small-scale producers in the proposed (good trade) system, providing information and other necessary roles.

In order to maximize the benefits of existing Islamic institutions, the Commission

can cooperate with The Islamic Chamber of Commerce, Industry and Agriculture (ICCIA), the International Islamic Trade Finance Corporation (ITFC) and the Islamic center for the development of trade (ICDT). At the local level, it can also use producers' associations, chambers of commerce, business associations, cooperatives, and Young craftsmen associations, as well as branches of the "World Islamic Organization for Good Trade" in various Islamic countries.

5.4.2.3.2. Good Trade Research and Studies Authority

This body is responsible for carrying out research and studies on producers and their main products, as well as on consumers and their needs, with the preparation of field studies to assess the impact of the entry of producers in the (good trade) system on improving their living conditions, and other research to assess consumer demand for these products and other studies Necessary.

In view of the great need for such studies and statistics to assess the effectiveness of the steps taken to implement the (Good Trade) system and the improvements required, the Commission can cooperate with The Statistical, Economic and Social Research and Training Centre for Islamic Countries (SESRIC) and the Standing Committee for Economic and Commercial Cooperation (COMCEC).

At the local level, it is possible to use economic and commercial research centers and chambers of commerce to create an integrated database of producers, products and organizations within the (Good Trade) system. It also helps producers' associations to be more able to provide accurate data and statistics about their members and their financing or marketing needs. Cooperate with Consumer Protection Systems to provide studies on consumer feedback and product development proposals.

5.4.2.3.3. Information and awareness of good trade

Therefore, the implementation of the (Good Trade) system needs supportive institutions in the field of advocacy and awareness because of its progress; therefore, the Information and Awareness Authority is conducting awareness campaigns and educating consumers to sensitize them to the role of (good trade) in the economic empowerment of small producers, Health and environment, and in accordance with Islamic Sharia.

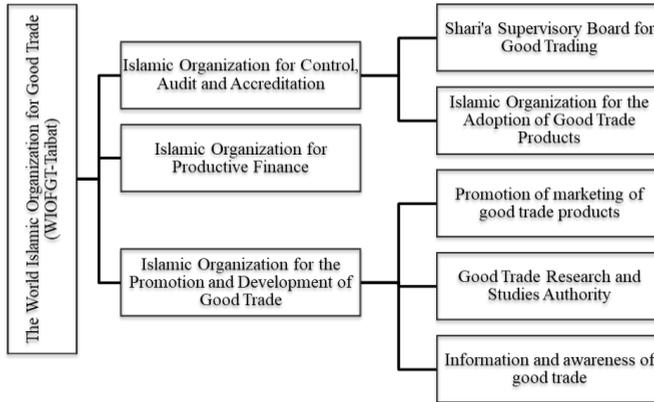
This body also informs businessmen and investors with investment opportunities through which they can finance small producers and benefit from participation in this system.

The Authority can cooperate with ministries of media, mosques, newspapers,

magazines, satellite channels, websites, social media and other media. The International Islamic News Agency, the Islamic States Broadcasting Organization, and the Federation of Advisors from Islamic Countries, to play an active role in this framework.

Figure 3 shows a hierarchical outline of the proposed institutional framework for the (Good Trade) system:

Fig.3. A hierarchy of the proposed institutional framework for the (Good Trade) system



Source: Prepared by Researcher.

6. RESULTS AND DISCUSSION

The study concluded that small producers in developing countries were being subjected to injustice under the free trade system, which led to the emergence of a (Fair-Trade) system to counter the negative effects of trade liberalization on small producers in these countries. The (Fair-Trade) system targets the welfare of small producers in developing countries by providing fair prices for their products and providing access to international markets, making them distinct from the free trade system, targeting the marginalized group, including less intermediaries, Directly between the product and the consumer.

The study also pointed to the widespread application of the (Fair-Trade) system in most Islamic countries. However, this system did not find enough attention to study it or to explain the inherent legal irregularities in terms of the form of riba-based financing and its containment of some forbidden products in Islam.

The study highlighted the most important principles of trade justice in Islam, which provide an integrated civilized system to achieve justice for all parties to the trade process. However, no Islamic trading models have emerged that provide an integrated alternative to the (Fair-Trade) system or apply this Islamic

civilizational system.

Therefore, the study proposed an integrated Islamic model under the name of "good trade- Taibat" in order to transform the principles of civilizational system provided by Islam in trading justice into a practical reality that can be applied in Islamic countries.

The proposed model seeks to take advantage of the benefits of free trade (removing barriers to intra-trade), (Fair-Trade) (enabling small producers and fair price) and halal trade (offering Sharia-compliant products), while overcoming the disadvantages of these models ; Free trade (detrimental to the interests of small producers), (Fair-Trade) (subject to legal prohibitions), and halal trade (not concerned with productive and trade justice).

Thus, good trade (proposed model):

- Stands against trade barriers between countries and encourages free competition, without prejudice to the interests of small producers.
- Achieve productive and trade justice, without encouraging illicit products, or include legally prohibited financing formulas.
- Adhering to the provisions of Islamic law in the entire productive process, from financing, production and even access to the consumer, to appear as an ideal model for expressing the principles and values of trade in Islam, can theoretically and practically establish what the Muslim community wants from controls and standards related to trade in Islam.

The study showed the basic criteria of the proposed model (socio - economic, ethical - environmental - employment - legitimacy) for the adoption of products. It also identified the necessary institutional framework for implementation, which comes at its summit (the World Islamic Organization for Good Trade), as a legal umbrella sponsor of this model and sets the framework for its implementation.

This organization has three bodies:

- The Islamic Organization for Supervision and Accreditation, which includes the Sharia Supervisory Board (the Supreme Sharia Supervisory Authority for all parties and organizations of the system), appoints the Sharia Supervisory Boards within the branches of the International Islamic Organization for Good Trade. And determine the rules and procedures for obtaining the approved trademark of the model).
- The Islamic Authority for the productive financing of the good trade (the task of facilitating the financing of producers within the good trade system).

- The Islamic Organization for the Promotion and Development of Good Trade, which includes three subsidiary bodies: the Promotion of Marketing of Good Trade Products (which promotes the marketing of good trade products in the Islamic world as well as the international level) and the Good Trade Research and Studies Authority Research and studies on producers and consumers, and other necessary studies (and finally the Information and Outreach Authority for good trade), It conducts awareness campaigns and educates consumers to raise awareness about the importance of promoting a good trade system.

The study suggests the following:

- Calling for the application of the proposed Islamic model for (Good Trade) through the adoption of the Islamic Cooperation Organization for the idea and take the necessary action to put it in the framework of implementation, and the establishment of the "Islamic Organization for Good Trade" or "World Organization of Islamic Good Trade - Taibat" in order to work to activate the (Good Trade) system, The institutional framework that ensures their successful implementation, and any of the countries with a high standing in the Islamic world such as Turkey or Saudi Arabia can undertake the task of advocating for the establishment of this organization.

- Establishing an international trademark with the logo of Taibat. The organization sponsoring the (Good Trade) system is competent to adopt its standards in cooperation with the Islamic Institute of Standards and Metrology. These standards should include all the economic, environmental, social, employment and legitimacy criteria proposed by the study. Adhere to these standards together.

- The study suggests activating the role of the endowments (Waqf) and zakat in financing the producers within the proposed (Good Trade) system, in addition to the other forms of financing of production, guided by the great role they played in financing small producers in Islamic civilization.

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