Winter 2024 Vol: 14 Issue: 33

Doctrines of the Judicial Control of Contract (Comparative Approach to Philosophical and Economic Schools)

Morteza Naseri Hossein Abad¹ | Sayyed Mohammad Mahdi Qabuli Dorafshan^{2*} | Azam Ansari³ | Abdollah Khodabakhshi Shalamazari⁴

- 1. Ph.D. Candidate in private law at Ferdowsi University of Mashhad, Iran
 - 2. Associate Professor, Ferdowsi University of Mashhad, Iran
 - 3. Assistant Professor, Ferdowsi University of Mashhad, Iran
 - 4. Assistant Professor, Ferdowsi University of Mashhad, Iran

Abstract

Today, contracts especially financial contracts are at the center of the legal and economic discussions. Contract law, as the most important part of private law, compiles and regulates the trading relationships of individuals. The importance of this section has always occupied the minds of legislators and lawyers from various aspects. The contract is the law of the parties and their wishes are respected by society and legal rules. The Legal systems respect the sovereignty of the will of the people, the goals of the parties and their expected results from the contract they know in most cases, what people have agreed on and if the prevailing conditions and circumstances do not change at the time of its conclusion, it should be implemented without any interference. But in some cases, we are faced with complex contracts and disputes where the parties' wishes have undergone a transformation. In such cases, the question is, should the provisions of the non-interference contract be adhered to, or should the purpose of the contract be considered? So one of the aspects that has received less attention is the "supervision or control of the judicial authority" on the covenants of individuals in order to create balance in the economic relations of the parties. Apparently, control, supervision or intervention in the contracts is contrary to the principle of autonomy and freedom of individuals, and the principle should be based on non-interference. However, in some cases, signing the agreement of the parties due to the economic imbalance or the situation of the parties to the contract leads to unfair results. However, according to some philosophical doctrines such as Deontology, consequentialism and pragmatism and economic foundations such as the theory of comparative advantage and the theory of uncertainty and risk and especially the common intention of the parties, can consider a constructive role for the judge and the possibility of intervention and control of the contract to regulate the contractual relationship of the parties to balance the contractual situation. The common feature of all bases is, to equalize the relative position of the

^{*}Corresponding Author Email: ghaboli@um.ac.ir

Winter 2024 Vol: 14 Issue: 33



Journal of Contemporary Comparative Legal Studies

parties to the contract in order to lead to the ultimate goal of the contract, which is the fair distribution of wealth. Therefore, by resorting to the above principles, the judge can be given the authority to monitor and control the contract. Contrary to theories that defend autonomy and freedom of will, it is beneficial from the economic point of view and relying on economic efficiency Equality is a reason for determining contractual freedom, and in order to increase welfare and increase social profit, the government can limit the freedom and autonomy of some people for the benefit of the society as a whole. On this basis, one should stand in front of individual autocracy, which may even be obtained by resorting to agreement and contract. In this sense, the judge, as a representative of the government (in the general sense), can monitor or intervene in the contract to resolve the conflict of economic interests of the parties to the contract and with the aim of realizing social order. In criticizing the absolute autonomy, this point is also mentioned that in free contractual relations, some people may become a means of securing the goals of others, and the moral basis and fair equality may be questioned. In such a situation that value the morals of the society tend towards destruction, the defense of the moral foundations of legal principles has also been questioned and cannot be justified. In other words, contracts are formed based on conditions such as the will of the parties and its survival depends on the survival of conventional conditions, and the change of conditions and circumstances change the contract from the concept that was formed at the time of its formation. It was considered by the parties to withdraw make. The possibility of revision on contract has been specified in other legal systems more or less, but no place has been identified in the Iranian legal system. So by knowing the basics, the judge can rely on them to monitor the private contract of individuals as someone who is outside the parties to the contract and possibly interfere in it. In other words, by resorting to some bases, the principle of relativity of contracts in order to attract the social and economic interests of the society is ignored and the judge's hand is considered as the guardian of justice. For this reason, it has been said: The judge's intervention in the agreements of the parties cannot be considered as a violation of the legal privacy of individuals and a violation of their contractual freedom, and as long as the goal of the judge is to serve and help individuals in a defined and legal process, not only the principle of sovereignty of the will has not been violated, but it has been effectively helped to implement it better. Therefore it is necessary to research in this

Keywords: control of contract, judicial supervision, economic analysis, philosophy of contract, judicial control.

regard, at first its basics should be specified and explained as a road map.



Journal of Contemporary Comparative Legal Studies

References

Books

- 1. Alizadeh, Abdolreza. (2015). Basics of the social approach to law, Tehran: Hozahe and University Research Center in collaboration with Semat Publishing House [In Persain].
- 2. Ansari, Mehdi. (2014). Economic Analysis of Contract law, Tehran: Javadane Jangal [In Persain].
- 3. Atamer, M.Yeşim; Pichonnaz Pascal. (2020). Control of Price Related Terms in Standard Form Contracts, Switzerland: Springer.
- 4. Cardozo, Benjamin N. (1921). The Nature of the Judicial Process, New Haven: Yale University Press.
- 5. Cotter, Robert; Yolen, Thomson. (2020). Law and Economy, translated by Yadollah Dadgar and Hamideh Akhawan Hezaveh, Tehran: Tarbiat Modares University Economics Research Center and Noor Alam Publications [In Persain].
- 6. Darwall, Stephen. (2003). Deontology, London: Blackwell Publishing.
- 7. Gensler, J., Harry. (2008). A New Introduction to Moral Philosophy, translated by Hamida Bahraini, Tehran: Asman Khyal: Naqd Qalam [In Persain].
- 8. Hajun, Chang. (2019). Economy: User Guide, translated by Mohammadreza Farhadipour, Omidreza Farhadipour, Tehran: Farhang Saba [In Persain].
- 9. Hashemi, Mohammad. (2021). Fundamental Rights of the Islamic Republic of Iran, Tehran: Mizan [In Persain].
- 10. Hobbs, Thomas. (2017). Leviathan, Translated by: Hossein Bashirieh, Tehran: Nash Nei. [In Persain].
- 11. Holmes, Oliver Wendell, (1881). The Common Law, Boston: Little Brown and Company.
- 12. Katouzian, Naser(2021). Civil Rights; Property and Ownership, Tehran: Mizan [In Persain].
- 13. Katouzian, Naser. (2021). Philosophy of Law, Tehran: Ganj Danesh [In persain].
- 14. Khodabakhshi, Abdullah. (2022). Philosophy of Law, Volume 1, Tehran: Publishing Company [In Persain].
- 15. L. Kauffman and E. Macdonald. (2004). The Law of Contract, New Yourk: Oxford University Press.
- 16. Monshi, Nasrollah. (1995). Translation of Kalila and Damna, Corrected and explained by Mojtabi Minawi, Tehran: Amirkabir [In Persain].
- 17. Shackle G.L.S, (1972). Epistemics and Economics: a Critique of Economic Doctrines, New York: Routledge.

Winter 2024 Vol: 14 Issue: 33



Journal of Contemporary Comparative Legal Studies

- 18. Shakeri, Abbas. (2018). Macroeconomics: Theories and Policies, Vol. 1, Tehran: Navisa [In Persain].
- 19. Slapper, Gary; Kelly, David, (2016). The English Legal System, London: Routledge.
- 20. Smith, Adam. (2018). The Wealth of Nations, Translated by Siros Ebrahimzadeh, Tehran: Payam [In Persain].
- 21. Stace, Walter Terence. (2001). a selection of Stace's articles, Translated by Abdul Hossein Azrang, Tehran: Hermes [In Persain].
- 22. Tafazoli, Fereydoun. (2015). History of Economic Ideas, From Plato to the Contemporary Period, Tehran: Ney Publishing [In Persain].
- 23. Treitel, Guenter, (2003). The Law of contract, London, London: Sweet & Maxwell.
- 24. Troupe, Michel. (2011). Philosophy of Law, Translated by: Morteza Kalantarian, Tehran: Agah Publishing House [In persain].
- 25. Tuori, Kaarlo. (2002). "Legislative Beetween Politics and Law", in Wintgens, Luc, Legisprudence: A New Theoretical Approach to Legislation, London: Oxford Hart Publishing.
- 26. Veblen, Thorstein. (2004). Theory of the Affluent Class, translated by Farhang Ershad, Tehran: Ney Publishing House [In Persain].

Article

- 27. Alizadeh, Abdul Reza. (2018). Aristotelian and Thomasian philosophical analysis method in contract law. Humanities Methodology, 25(101), 89-111. doi: 10.30471/mssh.2020.6777.2080. [In Persain]
- 28. Elliott, John E. (2006). "Institutionalism as an Approach to Political Economy", translators: Arash Eslami and Ali Nasiri Aghdam, Political Economy, 2(5 and 6). 63-92. [In Persain]
- 29. Atrak, Hossein. (2010). "Ethical Obligationism", Ethics in Science and Technology. 5(1 and 2). 27-35. [In Persain]
- 30. Goldstein, Joel K. (2018). "The Nature of the Judicial Process: The Enduring Significance of a Legal Classic a Legal Classic", Touro Law Review, 1 (34).
- 31. Hamidzadeh, Ahmad, & Salehi Mazandarani, Mohammad. (2019). The nature and conditions of contract transformation. Contemporary Comparative Law Studies. 11(20). 112-140. doi: 10.22034/law.2020.12359. [In Persain]
- 32. Islamloviyan, Karim. (2014). Examining the neoclassical profit theory and comparing it with the Islamic perspective. Bi-quarterly journal of Iranian economic essays with the approach of Islamic economy. 12(24). 79-105. [In Persain]
- 33. Jalili Moghadam, Mojtaba. (2009). "Examination of Bentham's Utilitarianism",



Journal of Contemporary Comparative Legal Studies

Marafet. 12 (159). 109-121. [In Persain]

- 34. Ghanavati, Jalil; Gholam Ali Tabar Firouz Yaei, Omid. (2017). "The Basis of the Philosophy of Contract Fulfillment", Theological-Theological Researches, 8(31). 155-174. [In Persain]
- 35. Khandozi, Ehsan. (2016). "Economic Criteria in New Legislation", Majlis and Strategy (Majlis and Research). 13(54). 279-296. [In Persain]
- 36. Khodabandehlo, Sima, Motavasali, Mahmoud, Nikonesebati, Ali, & Rostamian, Ali. (2015). A Reflection on the Austrian School: its Origin and Evolution. Entrepreneurship Development Scientific Research Quarterly, 9(3), 453-472. Doi: 10.22059/jed.2016.60121 32. [In Persain]
- 37. Moghadari Amiri, Abbas, & Askari, Hekmatullah. (2016). Modification of the contract in Imami jurisprudence and Iranian law. Islamic Jurisprudence and Law Research Journal, 11(41), 145-162. [In Persain] Doi: 20.1001.1.26455013.1394.11.41.7.6.
- 38. Movahedi, Mohammad Javad. (2010). Examining the Relationship between Task Orientation and Result Orientation. Journal of Philosophical Research, 4(216), 155-179. [In Persain]
- 39. Mohseni, Hasan. (1400). Invoking the Judge's Own Judgment to Invalidate the Contract; The Manifestation of the Art of Procedure by Implementing the Principle of Adversariality of the Procedure (Vote Number 1137 Dated November 1, 2019 of the Second Branch of the Supreme Court of France). Contemporary Comparative Law Studies, 12(23), 135-153. [In Persain] Doi: 10.22034/law.2021.42597.2752.
- 40. Pargendler, Mariana. (2018). "The Role of the State in Contract Law: The Common-Civil Law Divide", The Yale Journal of International Law, 43 (1). 143-189, doi: 10.2139/ssrn.2848886.
- 41. Ramezani Basri Abbas, Mirfardi Asghar. (2015). Explaining Institutionalism and its Tendency Towards Development. Economic magazine. 14 (3 and 4). 121-138. [In Persain]
- 42. Shahabi, Mehdi. (2011). The Process of "Socialization of Rights" and its Effect on the legal system. Private Law Studies, 41(1), 259-277. [In Persain] Doi: 20.1001.1.25885618.1390.41.1.15.3.
- 43. Salimi, Abdul Karim. (2009). "Pragmatism and its Consequences in Law", Marafet, 19(7). 31-42. [In Persain]
- 44. Tohidfam, Mohammad. (2011). The Combination of Freedom and the Rule of Law in Hayek's Thought. International Relations Studies Quarterly. 5(18). 47-73. [In Persain]
- 45. Zahedtalaban Ali, Ashrafi Yekta, Khodaparast Mehdi. (2014). The Critique of General Equilibrium Theory in Neoclassical Economics. 1 (4) .111-130. [In Persain]