

# Analysis of the Relationship Between Justice and Contract Law

1. Sima Esmailpour<sup>1</sup>: PhD student in Private Law, Urmia Branch, Islamic Azad University, Urmia, Iran

2. Yousef Molaei<sup>2\*</sup>: Assistant Professor, Department of Law, Urmia Branch, Islamic Azad University, Urmia, Iran

3. Mehdi Sheidaei<sup>3</sup>: Assistant Professor, Department of Law, Urmia Branch, Islamic Azad University, Urmia, Iran

\*Correspondence: e-mail:

## Abstract

Justice, as one of the fundamental principles of law, plays a key role in regulating social relations and achieving fairness in society. Contract law, as one of the essential legal instruments, is designed to regulate and uphold obligations between individuals. This study examines the relationship between justice and contract law and seeks to demonstrate how the principles of justice can influence the drafting, interpretation, and enforcement of contracts. The findings indicate that justice is not only a moral foundation but also a practical criterion that can enhance the function of contract law and prevent the misuse of contractual power and other common injustices. The fundamental question is how justice principles can be applied in contract law in a way that promotes fairness and transparency in commercial relationships while also preventing exploitation and abuse. This issue also involves analyzing the mechanisms and legal instruments that the judiciary and regulatory institutions can use to ensure justice in contracts. Furthermore, the economic and social impacts of adhering to justice in contract law must be examined. The proper implementation of justice principles can be a crucial factor in strengthening public trust, reducing unnecessary legal disputes, and increasing the efficiency and transparency of economic systems. This research aims to conduct a comprehensive analysis of the role and impact of justice in contracts by studying various societies and legal systems and to propose practical solutions for improving the current situation. The objective is to utilize the findings and experiences gained to develop more effective policies and legal frameworks in the field of contract law.

**Keywords:** justice, contract, relationship between justice and law, relationship between justice and contract

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## 1. Introduction

In today's world, where the complexity of commercial and economic relationships is rapidly increasing, contract law serves as one of the primary instruments for regulating these relationships. Contracts between individuals and companies provide a legal infrastructure for creating, protecting, and enforcing obligations. However, one of the main challenges in this area is ensuring compliance with the principles of justice at all stages of contract drafting, signing, and enforcement. Many individuals and institutions, due to their greater economic power or informational advantage, may be able to impose unfair contractual conditions that weaken the disadvantaged party. Such injustice can lead to increased legal disputes and a decline in public trust

in judicial and economic systems. When there is an economic and political imbalance between contracting parties, the absence of justice can pose a serious threat to the stability and sustainability of commercial and economic relationships.

In today's world, contract law, as one of the most important and fundamental branches of private law, plays a crucial role in regulating economic and commercial relationships. However, a failure to consider the principles of justice and fairness in drafting and executing contracts can result in inequalities, prolonged disputes, and a decline in public trust. This issue is particularly significant when one party to the contract has superior economic power or information compared to the other. Justice in contract law is not only about fairness in drafting contractual terms but also concerns the manner of contract enforcement and dispute resolution arising from contracts. Without attention to justice, contracts may become instruments for exploiting and abusing weaker parties, which could lead to economic and social instability.

In today's diverse and complex commercial environment, contractual relationships constitute a significant portion of economic interactions. Given that contracts establish legal obligations between parties, ensuring fairness and justice in all aspects of these agreements is essential. This issue becomes particularly evident when one party has greater bargaining power, knowledge, or access to resources, while the other party may be in a weaker position. The failure to uphold justice in contract drafting and execution can lead to inequalities, inefficient agreements, and even complex legal disputes. Without a coherent and fair framework, there is a risk of unjust exploitation of weaker parties, which may not only be detrimental to the commercial sphere but also impact long-term economic trust and cooperation. Various factors contribute to this issue, including the manner in which contractual terms are drafted, the precise definition of conditions and clauses, and the mechanisms for dispute resolution. The complexity of these matters can prolong proceedings and impose significant costs on the judicial and economic systems. Therefore, establishing structures that ensure justice and fairness in these relationships is of paramount importance.

Moreover, the rapid changes in legal and economic environments necessitate that relevant laws and principles remain dynamic and flexible to effectively respond to emerging changes and situations.

## **2. Methodology**

This study employs a descriptive-analytical method, utilizing note-taking, library research, online sources, and specialized journals.

## **3. Foundations of Law and Justice**

Law refers to the set of regulations governing social relationships, or in other words, the collection of obligations and prohibitions that members of a society are required to observe, with the state ensuring their enforcement.

Justice, derived from Arabic, means to dispense fairness, to be just, and to exercise fairness ([Abdo, 2002](#)). Justice, whether pronounced with a kasra or a fatha on the letter 'Ayn,' linguistically signifies steadfastness in religious law or adherence to the path of righteousness by avoiding prohibited acts ([Hatami et al., 2012](#)).

Justice is considered the opposite of oppression and tyranny in linguistic terms, signifying a balance between excess and deficiency, ensuring that there is neither deficiency nor excess ([Milani et al., 2024](#)). Justice, therefore, denotes the observance of others' rights in opposition to oppression and aggression. Consequently, justice has been defined as "giving each right-holder their due," while some have expanded its meaning to encompass "placing everything in its proper place or executing every action appropriately" ([Motameni Tabatabaei, 2011](#)).

Justice means placing everything in its rightful position and is a concept with broad implications across all aspects of human affairs. The principle of justice is a general and universal law encompassing all types of judgment and governance, whether in significant or minor matters ([Nasiri, 2005](#)).

### **Contract Law**

Contract law is a significant branch of private law. According to the traditional perspective, contracting parties enter into a purely bilateral private relationship in which the determination of the content and terms of the contract is within their discretion. In cases of breach, disputes between the parties are addressed based on compensatory justice to remedy the damages incurred. A contract does not have the capacity to incorporate broader distributive planning or address political and moral issues that do

not directly pertain to the contracting parties. Furthermore, contractual adjudication focuses on what the parties intended at the time of contract formation rather than the future outcomes of the contract (Zanjani, 1991).

### **Conceptualization of Justice**

Justice is one of the paradoxical concepts that is broad in definition yet narrow in practice. In ethics, justice is considered a virtue that stems from a higher moral principle. Some scholars argue that general concepts such as moral goodness and badness, divine justice, the virtue of honesty, and the vice of falsehood align with human nature. This means that, since human reason independently perceives these concepts and innate nature affirms their correctness, ethical principles are also understood through this process. Theologians examine justice within the framework of divine justice and moral rationalism. Islamic theologians assert that God, due to His inherent justice, does not engage in futile acts, and since He avoids pointless actions, He treats His servants without oppression or tyranny. Consequently, since engaging in futile acts is a departure from justice and an embodiment of oppression and wrongdoing, it cannot be attributed to the Divine Essence.

Justice has sparked significant debate and controversy in philosophy. Philosophical justice is understood through rational comprehension and is akin to the concept of natural law, possessing a naturalistic characteristic. Plato, one of the earliest and greatest philosophers, believed that justice is an ideal accessible only to those nurtured in the realm of philosophy (the qualified individuals) and cannot be attained through mere experience and perception (Katouzian, 2009b). He defines justice in terms of individuals' talents and entitlements, stating that "justice means that each person receives what is rightfully theirs and engages in a profession suited to their abilities and competencies." He considers engaging in one's own work and refraining from interfering in others' affairs as the essence of justice. Aristotle, on the other hand, interprets justice as moderation and balance, and subsequent scholars have each proposed their own definitions of justice (Katouzian, 2009a, 2009b).

## **4. Aspects of the Relationship Between Justice and Contract Law**

### *4.1. Justice in Contract Formation*

Justice in the formation of contracts entails the equality of parties in negotiations and agreements. This ensures that neither party is subjected to coercion, duress, or fraud. Contractual laws in many legal systems, including Iranian law and international law, aim to guarantee this form of justice.

### *4.2. Justice in Contract Execution*

Justice in contract execution requires adherence to the obligations and duties that the parties have accepted under the contract. This includes the fair interpretation of contractual terms and their enforcement in a manner that equitably serves the interests of both parties. In case of disputes, courts and judicial authorities must act in a way that ensures justice in contract performance.

### *4.3. Justice in Contract Termination*

Justice in contract termination necessitates that the dissolution of a contract is carried out in a manner that fairly preserves the rights and interests of both parties. This encompasses issues such as contract rescission, modification of contractual terms, and compensation for damages. In many legal systems, laws are designed to allow for contract modification or termination in cases of unfair conditions.

## **5. Types of Justice**

### *5.1. Distributive Justice*

Distributive justice pertains to the obligations of the state toward its citizens and determines how jobs, positions, and public resources are allocated. The perception of distributive justice by the public is linked to their sense of fairness regarding outcomes and is considered a critical factor with significant implications for organizational and societal functions. Historically, a substantial portion of justice-related research has focused on the distribution of wages and work-related rewards, deriving

from equity theory. When individuals in an organization evaluate the appropriateness, fairness, and ethicality of outcomes, they are effectively assessing the level of distributive justice within that organization (Parvin & Akbari Roodposhti, 2013).

Lundahl (1976) examined distributive justice from the perspective of those responsible for allocation. His "Just Judgment Model" takes a more proactive approach than equity theory. In this model, Lundahl posits that individuals judge their entitlements based on multiple principles of justice.

## 5.2. *Procedural Justice*

Folger and Greenberg (1985) were the first researchers to introduce the concept of procedural justice in workplace environments. Since then, a continuous stream of research has emerged on this topic. Lind and Tyler (1988) define procedural justice as the fairness of the processes by which outcomes are allocated.

Baron and Greenberg argue that scholars consider two dimensions of procedural justice:

1. **Structural Aspect of Procedural Justice:** This aspect examines how decisions should be made to appear fair. Importantly, it does not address what decisions should be made but rather how they should be made.
2. **Social Aspect of Procedural Justice:** Greenberg contends that although the structural dimension of procedural justice is highly significant, it does not encompass all aspects of procedural justice. In other words, when evaluating the fairness of organizational procedures, the quality of interpersonal treatment between decision-makers and employees is considered a key factor. Greenberg refers to this aspect as "interactional justice," identifying two primary determinants of justice in interpersonal behaviors (Milani et al., 2024).

## 6. **The Relationship Between Law and Justice**

Humans inherently seek to uphold justice, and legal rules are inclined toward establishing justice. For this reason, legal rules always aspire to fairness in the eyes of the law. Throughout history, humanity has continuously strived to distinguish, identify, and implement justice. Justice should not be viewed as a static concept; rather, it must be determined based on prevailing economic, social, and political conditions in any given time and place. Justice is an ethical principle whose meaning evolves alongside ethical norms.

At times, law and justice diverge, yet law always maintains an aspiration toward justice as an ideal. In reality, law regards justice as one of its primary objectives. The state, in its effort to maintain public order and establish social stability, is compelled to align legal rules with justice to the greatest extent possible. Whenever social order is achieved and legal provisions that contravene justice are enacted, all governments tend to agree on the necessity of justice-based legal frameworks.

The interconnection between law and justice is evident in many legal rules, though their respective domains remain distinct. Law is fundamentally concerned with establishing social order. Occasionally, legislative bodies enact rules that justice cannot adjudicate upon, and maintaining order necessitates the establishment of regulations that may contradict justice. Justice dictates that wrongdoers must be punished and bear the consequences of their wrongful actions. However, at times, prioritizing the collective interests of society over individual rights is considered a form of justice, yet human dignity and personal integrity should never be overlooked.

Justice, while serving as the standard for values and the most essential characteristic of law, may not always constitute the essence of legal systems. If a legal system disregards justice as its ultimate objective, it cannot adequately serve collective and social life. Therefore, every legal theory and the legal system influenced by that theory must integrate justice as a foundational principle.

### 6.1. *The Relationship and Application of Justice in Contract Execution*

Among legal scholars across different legal systems, there is a general consensus that contract law consists of a set of rules governing private transactions. These scholars attribute three legitimate functions to contract law. First, it determines whether concluded contracts are legally valid and binding or whether they are unenforceable and invalid. Second, it identifies the rights and obligations that arise from a valid and enforceable contract. Third, it defines the consequences of unjustified breaches of contracts.

In addition to these functions, some legal scholars argue that contract law should be used as an instrument to achieve distributive justice. In other words, contract law should not remain indifferent to the distribution of wealth and welfare within society. Instead, contract law drafters—both legislators and courts—bear the responsibility of considering the distributive effects of contracts and their role in wealth distribution among members of society to promote social justice.

The issue of social justice in contract law is relatively new in Iranian law. However, in the legal systems of some countries, scholars have been conducting various studies on the matter for several decades. These studies have analyzed contractual legal developments that shift toward greater participation in upholding social values such as justice. In these analyses, the broad concept of social justice in contract law and its transformations are often illustrated through contradictions such as freedom versus solidarity, individualism versus altruism, and market individualism versus consumer welfarism. This new phenomenon has also been examined through concepts such as social contract law and contractual solidarity, as well as principles like the duty of care and fairness. Some scholars have even advocated for the establishment of "social private law," in which the ideals of the welfare state are realized.

Justice in contract execution is one of the fundamental legal and ethical principles that significantly impact the establishment and maintenance of commercial and economic relationships. This concept encompasses several key dimensions, which are discussed in this section.

## 6.2. *Social Justice and the Principle of Freedom of Contract*

The social function of contract law serves as a limitation on the principle of freedom of contract. The latter principle, rooted in capitalist and liberal ideologies, was firmly established in 19th-century civil laws such as the French and German civil codes. In contrast, the principle of the social duty of contract law has a different origin and nature, as it is derived from the theory of the welfare state.

The social function and duty of contract law can ensure that societal interests take precedence over individual interests within the realm of contracts. The absence of government oversight in contractual relationships may lead to an unjust distribution of wealth within society. To restore justice in society, the state must intervene in private legal relationships to protect the weaker party in contractual agreements.

Accordingly, this theory primarily emphasizes the protection of the weaker contractual party, who often lacks genuine freedom of will. This intervention may also serve to neutralize the excessive bargaining power of the stronger contracting party. The ultimate outcome of such protection can lead to a fair distribution of economic benefits between the parties to the contract. From this perspective, the concept of contractual freedom appears to be artificial, as true freedom of contract does not exist in cases where parties possess unequal bargaining and economic power.

One of the most controversial criteria used to distinguish private law from public law is the type of justice emphasized within these two legal branches. Specifically, corrective justice is the primary concern of private law, whereas public law is primarily concerned with distributive justice. Before examining this distinction in detail, it is useful to briefly compare corrective justice with distributive justice, followed by an analysis of this criterion.

## 7. **Distributive Justice**

Distributive justice refers to the fair allocation of resources and benefits between contracting parties. In this context, both parties should equitably benefit from the resources and advantages generated by the contract. This form of justice plays a crucial role in reducing inequalities and maintaining balance in commercial relationships.

### 7.1. *Corrective and Distributive Justice*

The distinction between corrective and distributive justice dates back to ancient Greece, with Aristotle's theories on the subject still retaining their significance. Corrective justice seeks to rectify harm committed by Person A against Person B by obligating Person A to compensate Person B for the damages suffered. In cases where an individual unlawfully seizes another's property, corrective justice dictates that the property should be restored to its rightful owner (Abdo, 2002; Amini & Abedian, 2012).

In contrast, distributive justice aims at the ideal distribution of resources among individuals in society. In other words, while corrective justice seeks to rectify wrongs committed between disputing parties, distributive justice focuses on allocating resources among members of a group based on a specified distribution criterion (Khakbaz, 2014).

According to Aristotle:

*"It makes no difference whether a wealthy person takes something from a poor person or vice versa, or whether a rich or poor person commits adultery. The law considers only the extent of the harm and treats them as equals. It is unjust if one person commits an act while another suffers harm, and if someone is injured, another must have inflicted that injury."* (Knights & Wilmot, 2007).

Despite its brevity, this statement in Aristotle's text highlights three fundamental characteristics of corrective justice that distinguish it from distributive justice (Wilhelmsson, 1992; Wilhelmsson, 2004).

First, corrective justice prevents the personal characteristics of the parties—such as social class, moral character, wealth, or need—from influencing the determination of their rights and obligations. Regardless of their social status, both parties are treated equally. In other words, it does not matter whether a wealthy person takes something from a poor person or vice versa. Corrective justice disregards entitlement, property ownership, and social standing, seeking to establish justice solely based on mathematical equality. In this regard, there is a clear distinction between corrective and distributive justice, as all comparative evaluations of distributive justice, which involve assessing parties based on a specific criterion, are irrelevant to corrective justice (Badini, 2016).

Second, corrective justice treats the parties equally. However, a fundamental question arises: Are the parties truly equal? Aristotle conceives corrective justice in mathematical terms, as quantitative equality between the parties. This concept of equality does not mean that the parties have equal financial resources or wealth. Instead, as Weinrib explains:

*"Corrective justice focuses on the quantitative measure of what rightfully belonged to one party but was unlawfully transferred to the other and must be restored to the rightful owner."* (Wilhelmsson, 1992).

Aristotle contrasts this form of equality with distributive justice, where each individual's share in a distribution is determined based on a specific criterion established by the state. In other words, while distributive justice seeks to provide each individual with a fair share of wealth (Wilhelmsson, 2004), corrective justice aims to preserve each individual's rightful share. Thus, in relationships governed by corrective justice, parties are treated based on abstract equality, meaning that comparative evaluations such as wealth or poverty are entirely irrelevant to determining their rightful share. In contrast, in relationships governed by distributive justice, individual characteristics are considered in determining each party's share, and existing inequalities between them are acknowledged.

Third, corrective justice focuses on direct and immediate relationships between individuals, whereas distributive justice does not center on direct relationships between specific individuals. Weinrib highlights this distinction as follows:

*"Corrective and distributive justice reflect two different forms of interaction between individuals. In corrective justice, the parties interact directly and immediately. In distributive justice, interaction occurs through a mediating distributive framework. The link between parties in corrective justice is direct, established through the harm caused by one party to the other. Aristotle represents this direct relationship mathematically by identifying the victim's loss and the injurer's gain. In contrast, in distributive justice, the interaction between parties is not direct but mediated through a distributive program. Instead of a specific relationship between one party and another, distributive justice connects all individuals in relation to the benefits and burdens they collectively share."* (Wilhelmsson, 2004).

Thus, the defining feature of equality in corrective justice is that the connection between contracting parties is established through rectification of harm, rather than through a comparison of their statuses based on specific attributes related to resource distribution. However, it should be noted that direct and immediate interaction does not mean that all forms of comparison are eliminated. Moreover, corrective justice does not encompass considerations beyond the relationship between the injurer and the victim, preventing external political considerations from influencing these interactions.

Ultimately, corrective justice seeks to establish justice between the contracting parties but does not aim to achieve broader social reform or implement a comprehensive standard of fairness. In other words, corrective justice is not an instrumental tool



for achieving social objectives, even if those objectives include protecting victims' rights or deterring future violations of others' rights (Wilhelmsson, 2004).

Finally, in the Aristotelian framework, the distinctive nature of corrective justice—aligned with traditional conceptions of private law—rests on three fundamental characteristics: disregard for personal attributes of the parties, mathematical equality between the parties, and a direct relationship based on harm and rectification. However, providing a precise definition of corrective justice remains challenging due to scholarly disagreements regarding its characteristics. For example, there is debate over whether damages recoverable under corrective justice must necessarily be unlawful (Kaplow & Shavell, 2006).

### 7.2. *Corrective Justice and Its Application in Contract Law*

Corrective justice has many proponents as a mechanism for preventing the violation of contractual rights. This form of justice operates by either compensating the injured party or preventing the unjust enrichment of the other party. Practical applications of corrective justice include:

- **Restitution of unjustified benefits:** If one party obtains a benefit outside the contractual framework, corrective justice emphasizes the return of such benefits.
- **Interpretation against the drafter:** In contracts where one party has drafted the contractual text, ambiguous clauses are interpreted against the drafter to prevent unfairness.

These tools can strengthen contractual relationships and foster balance and trust in contract execution (Yousefzadeh, 2023).

Aristotle considers contractual justice a subset of corrective justice (Cohen, 2008, p. 9). This Aristotelian perspective has been widely embraced by legal scholars across various legal systems throughout history. In the traditional view, most legal scholars do not recognize a specific connection between private law and distributive justice. Instead, they rely on corrective or commutative justice, arguing that the purpose of contract law and the enforcement of contractual obligations is not to achieve specific social or economic goals. Rather, as previously stated, the objective of contract law is to ensure fair transactions and commutative justice in exchanges. According to this theory, considerations based on freedom take precedence over those based on welfare (Bagheri Asl, 2011; Bagheri & Fazli, 2013).

Throughout history, scholars have provided different definitions of corrective and distributive justice. Even in contemporary legal and political theories, there is no consensus on their exact definitions. Despite these conceptual differences, corrective justice has traditionally been regarded as the foundation of private law, whereas distributive justice has been associated with public law. Furthermore, this theory has been widely accepted in the realm of contract law.

Weinrib explains:

*"To the extent that private law relationships are inherently bipolar, their coherence is a matter of corrective justice. The bipolarity of corrective justice is evident in litigation, which is formed by a plaintiff who has been harmed by the defendant's actions. Similarly, many concepts and principles of common law—such as offer and acceptance, consideration, unconscionability, expectation damages in contracts, causation, fault, and compensation in tort law—reflect the bipolar nature of private law relationships."* (Kaplow & Shavell, 2006).

### 7.3. *The Relationship Between Contract Law and Distributive Justice*

In recent decades, significant criticisms have been directed at the distinction between corrective and distributive justice as a fundamental differentiating feature between private and public law. In response to these criticisms, the question arises as to what extent modern private law, including contract law, is still based on corrective justice. The answer remains that private law—and consequently, contract law—continues to be rooted in corrective justice. However, this does not mean that private law and contract law are entirely beyond the influence of distributive justice (Collins, 1992).

In modern economies, resource allocation primarily occurs through market transactions, which are facilitated by contract law. Under these legal frameworks, individuals can utilize their knowledge, skills, and bargaining power to maximize their economic gains. On one hand, considerations based on distributive justice have increasingly permeated contract law. For example, in many cases, the stronger contracting party is legally required to provide relevant contractual information to the weaker or less experienced party.

From one perspective, it has been argued that, first, there is no fundamental distinction between corrective and distributive justice. This is because corrective justice has always been a particular form of distributive justice and does not possess an independent conceptual foundation. Second, private law, particularly contract law, should not solely adhere to corrective justice as a traditional viewpoint but must also incorporate distributive justice principles (Kronman, 1980).

On the other hand, many of the developments in private law over the past 30 years—such as the recognition of judicial discretion in considering the financial capacity of parties when awarding damages—have led even scholars who traditionally support the distinction between corrective and distributive justice to find this distinction increasingly misleading when differentiating private law from public law (Catherine, 2022).

Legal reforms in private law across different countries are progressively emphasizing a more active role for contract law in achieving fair economic resource distribution. For example, in the French contractual obligations reform project, ensuring contractual justice was one of the primary concerns of its drafters. Under this reform, duress is no longer limited to physical or psychological coercion. Instead, it has been expanded to include inappropriate threats in legal proceedings or the exploitation of an emergency or extreme vulnerability in which one party capitalizes on the situation to obtain disproportionate and evident advantages.

Undoubtedly, this transformation reflects the increasing influence of social and distributive justice in contract law (Sajjadi, 2006).

## **8. Contract Law and Social Justice**

The issue of social justice in contract law is relatively new in Iranian law. However, in the legal systems of certain countries, legal scholars have conducted various studies on social justice in contract law for several decades, analyzing the evolution of contract law toward greater participation and the incorporation of social values such as justice. These analyses often depict what is broadly termed social justice in contract law through contrasts such as freedom versus solidarity, individualism versus altruism, and market individualism versus consumer welfarism. Additionally, this emerging phenomenon has been examined through concepts such as social contract law and contractual solidarity, as well as principles like the duty of care and fairness (Wilhelmsson, 2004). Some scholars have also advocated for the development of a "social private law" in which the ideals of the welfare state are realized (Wilhelmsson, 1992).

The influence of social justice in contract law is considered a limitation on the principle of freedom of contract. In other words, the principle of the social duty of contract law, which aims to achieve social justice, and the principle of freedom of contract have distinct origins and nature. The principle of freedom of contract is rooted in individualist schools of thought, whereas the principle of the social duty of contract law originates from the theory of the welfare state. The social function of contract law can ensure that societal interests are prioritized over individual interests in contractual matters. Therefore, the absence of government oversight may lead to an unjust distribution of wealth in society. To restore justice, the state must intervene in private legal relationships to protect the weaker party in contractual agreements (Benetti Timm, 2008).

In the 19th century, social justice was not considered a justification for state intervention in contract law. At that time, contract law was based on the principle of autonomy of will, and its domain was entirely separate from the issue of social justice. However, in the 20th century, perspectives on the principle of freedom of contract and autonomy of will changed, and the concept of social justice gradually found its way into private law, particularly contract law. This shift was due to the recognition that many individuals are not truly free and autonomous in many contractual situations (Hesselink, 2008).

Thus, this theory primarily emphasizes the protection of the weaker contracting party, who often lacks complete freedom of will. In some cases, it can even neutralize the unequal bargaining power of the stronger party. As a result, such protection can lead to a fair distribution of economic benefits between the contracting parties. According to this perspective, the principle of contractual freedom is artificial, as true contractual freedom does not exist in situations where the parties possess unequal bargaining and economic power.

In the realm of fundamental rights and human rights, distributive justice justifies, on the one hand, state intervention in redistributing wealth within society and, on the other hand, citizens' political rights to access public positions. In the 20th and 21st centuries, welfare states have justified their protective interventions for disadvantaged individuals in economic and social



spheres, as well as restrictive interventions in limiting private property rights, based on distributive justice. Therefore, a significant portion of second-generation human rights (economic and social rights) can be defended within the theoretical framework of distributive justice ([Hatami et al., 2012](#)).

### 8.1. *Manifestations of Social Justice in Judicial Practice*

In the judicial practice of some countries, attention to achieving social justice has gradually gained influence over time. For example, in the well-known "Guarantor" case, the German Federal Constitutional Court invalidated a young woman's guarantee agreement with a bank, citing the imbalance of bargaining power between the bank and the guarantor (the daughter) and ruling that the contract was contrary to the social state principle enshrined in the German Constitution.

On October 19, 1993, the German Federal Constitutional Court issued a notable ruling in the guarantor case. In this case, a bank conditioned the granting of a loan of 100,000 marks on the borrower's daughter signing the loan agreement as a guarantor. The guarantor, a 21-year-old woman with no formal education, no assets, and no specialized job skills, was employed in a factory earning a monthly wage of 1,150 marks. She agreed to guarantee her father's entire debt. Shortly thereafter, her father faced financial difficulties and was unable to repay the loan. Consequently, the bank demanded the repayment of 100,000 marks plus interest, totaling 160,000 marks, from the guarantor under the terms of the guarantee contract.

The guarantor's defense faced varying outcomes in different courts. The district court ruled that the guarantee contract was valid and ordered the guarantor to pay the entire debt. The appellate (state) court held that the bank had failed to fulfill its duty to inform the guarantor adequately, rendering the guarantee contract void and relieving her of liability for her father's debt. However, the Federal Supreme Court overturned the appellate ruling, arguing that the bank had no such obligation, as an adult individual should be aware of the risks associated with signing a guarantee contract.

Following this ruling, the guarantor appealed to the German Federal Constitutional Court, claiming that the Federal Supreme Court had violated her fundamental right to personal autonomy in connection with the social state principle. The Constitutional Court ruled in favor of the guarantor, stating that when an imbalance of structural bargaining power results in a contract that imposes excessively burdensome obligations on the weaker party, civil courts must intervene based on general principles such as good faith and fair dealing. The court held that this duty stems from the obligation to protect fundamental individual autonomy within the framework of the social state principle. In this case, contractual imbalance existed because the bank had failed to provide the guarantor with adequate and appropriate information about the risks associated with the guarantee, which were disproportionately high compared to her income.

Some legal scholars argue that this ruling has significant distributive effects, as it grants the weaker contracting party certain advantages while using contracts and the principle of freedom of contract as tools to achieve social justice and foster social solidarity ([Marelia, 2006](#)).

### 8.2. *The Role of Public Interest in Contract Law in Imami Jurisprudence*

The role of public interest in contract law has not been explicitly addressed by legal scholars. Despite the significant role of justice in Islamic law, the relationship between contract law and social justice has also been largely overlooked by legal scholars. However, certain instances can be identified where the role of public interest in contract law is clearly observable. These instances will be examined and analyzed in the following sections.

### 8.3. *The Relationship Between Social Justice and Contract Law in Imami Jurisprudence*

A review of authoritative Islamic sources indicates that one of the fundamental objectives of Islam is the establishment of justice. In Islam, justice serves as a standard by which other legal principles, such as *la darar* (no harm), *ihsan* (benevolence), and *la haraj* (no undue hardship), are assessed ([Mohaghegh Damad, 2014](#)). However, Islamic jurists have not placed a particular emphasis on justice in their discussions on contract law and the rules governing transactions. Some juristic opinions that grant the right of rescission in cases of gross disparity between contractual obligations (*ghaban*), exploitation of rural sellers (*talaqqi al-rukban*), and imprudent transactions (*mu'amalah safihiyya*) can only be justified based on the principle of

justice. Therefore, it has been suggested that Islamic jurists have, in certain aspects of contract law, considered justice (Raei & Molaeian, 2014).

Nevertheless, in Imami jurisprudence, justice is not explicitly recognized as a general governing principle in contract law. Ayatollah Motahhari states:

*"Despite the strong emphasis on social justice in the Qur'an, no general principle has been derived from it."* (Motameni Tabatabaei, 2011).

Thus, in Imami jurisprudence, justice has not been established as a fundamental principle governing contract law. Instead, the principle of freedom of contract has been recognized as a general rule, and apart from exceptional cases, no major restrictions have been imposed on this principle. In cases where limitations exist, they are primarily based on explicit religious texts (Motameni Tabatabaei, 2011).

For instance, the principle of absolute contractual freedom and the disregard for social justice were evident in the enactment of the Iranian Labor Law of 1989. The Guardian Council jurists argued that the employer-employee relationship should be governed by the principles of hire and lease (*ijara*), as per Islamic primary rulings, and should be regulated through private agreements between the parties. They viewed any government intervention in labor contracts as contrary to Islamic law. Consequently, the Guardian Council rejected multiple provisions of the parliamentary labor law that imposed obligations on employers, even rejecting Article 1, which required employers to comply with labor laws in exchange for receiving government-provided facilities. Ultimately, the Guardian Council deemed the labor law unconstitutional, leading to its referral to the Expediency Council, which approved the law in 1989 (Jafari Langroudi, 2014).

#### 8.4. *The Relationship Between Justice and Economic Sustainability*

Justice and economic sustainability are closely interconnected. The realization of justice can create a more positive environment for economic growth and development, while a sustainable economy can help ensure equal rights and opportunities for all individuals. To achieve a fair and sustainable economy, policymakers and decision-makers must pay special attention to these two concepts. The enforcement of justice in contracts contributes to economic sustainability. When contracts are executed fairly, trust between parties increases, leading to long-term and stable relationships.

The relationship between justice and economic sustainability is a significant topic in social sciences, economics, and management. These two concepts influence each other reciprocally and can be analyzed from different perspectives.

##### 1. **Definition of Justice and Economic Sustainability**

- **Justice:** Justice refers to the equitable distribution of resources, opportunities, and economic benefits among individuals and groups. This concept encompasses social, economic, and political justice and relates to equality in rights and responsibilities.
- **Economic Sustainability:** Economic sustainability refers to an economic system's ability to maintain growth and development over the long term while preserving natural and social resources. This concept includes sustainable development, resource efficiency, and economic productivity.

##### 2. **The Impact of Justice on Economic Sustainability**

- **Reduction of Inequality:** When justice prevails and resources are distributed fairly, economic inequalities decrease. Economic inequality can lead to social and political tensions, which hinder economic sustainability.
- **Strengthening Social Trust:** Justice in the distribution of resources and opportunities increases public trust. This trust contributes to the formation of social capital, which is essential for sustainable development.
- **Encouraging Economic Activity:** Economic justice can enhance motivation for investment and entrepreneurship. When individuals feel they have an equal opportunity for success, they are more inclined to invest and establish businesses.

##### 3. **The Impact of Economic Sustainability on Justice**

- **Preservation of Natural Resources:** Economic sustainability requires the proper management of natural resources. This issue is also related to justice, as all individuals and groups should have access to and benefit from resources.

- **Sustainable Development and Social Justice:** If economic development occurs sustainably, future generations' needs will also be met, contributing to intergenerational justice.

Justice in contract law not only helps protect the rights of parties but also increases satisfaction and reduces disputes and litigation. By creating a fair and equitable environment for contract enforcement, more stable and efficient relationships can be established.

## 9. Contract Disputes

Legal action and claims arise when dissatisfaction occurs between contracting parties. Additionally, contract provisions must comply with public order and mandatory laws during their formation. For this reason, legislators establish laws and regulations to ensure business security, maintain social interests, promote trade, and prevent contract disputes. In cases where a contractual agreement obligates an individual to perform or refrain from an act, and they fail to fulfill this obligation, the other party may seek judicial enforcement of the contract.

Justice in contract law plays a fundamental role in reducing disputes and litigation. The enforcement of justice can directly and indirectly affect the relationships between contracting parties and the final resolution of conflicts. Some of these effects include:

1. **Mutual Trust:** The enforcement of justice in contracts increases trust between parties. When parties feel that contract enforcement is fair and equitable, the likelihood of disputes and misunderstandings decreases. This trust fosters stable business relationships and future cooperation.
2. **Transparency and Clarity:** Justice in contract law requires transparency in contract terms and implementation processes. When parties clearly understand their rights and obligations, misunderstandings arising from a lack of information or ambiguity are minimized. This transparency helps prevent disputes.
3. **Fair Distribution of Benefits and Costs:** When benefits and costs are fairly distributed among parties, both sides experience greater satisfaction. This fairness can reduce the likelihood of complaints and disputes, as parties feel they are equally benefiting from the agreement.
4. **Fair Procedural Mechanisms:** The presence of fair procedures in contract enforcement, such as the opportunity for each party to express their views or grievances, can help reduce tensions between parties. When parties feel they are being heard fairly, they are less likely to escalate issues to legal disputes.
5. **Education and Cultural Promotion:** Promoting a culture of justice in contractual relationships can lead to a long-term reduction in disputes. For instance, if organizations and companies educate their employees about the importance of justice and adherence to its principles, ethical behavior in business transactions can improve.
6. **Dispute Resolution Mechanisms:** The existence of fair dispute resolution mechanisms, such as arbitration or mediation, can help reduce legal claims and their associated costs. These methods allow parties to resolve issues quickly and fairly without resorting to litigation.

Ultimately, justice in contract law enhances transparency in contract execution and leads to clearer commercial relationships. When agreements are explicitly and fairly formulated and implemented, parties gain greater confidence in fulfilling their contractual obligations.

## 10. Conclusion

The relationship between justice and contract law is a crucial and complex issue that has profound effects on individuals' economic and social lives. Justice, as a moral and social principle in contract law, can help balance power between contracting parties and foster trust in commercial and economic transactions. In the contemporary world, given economic and social developments, ensuring the rights of contracting parties and preventing potential abuses has become increasingly important.

Emphasizing justice can help reduce inequalities and create a fairer environment for all stakeholders. For example, by ensuring that contracts adhere to principles of justice and preventing unfair agreements, conditions can be created in which parties feel more secure and satisfied in their transactions.

Moreover, the relationship between justice and contract law in today's economic and social contexts requires deeper examination and analysis. This relationship is not confined to legal and regulatory aspects but is also influenced by various

social, cultural, and economic factors. Contract law, as a mechanism for regulating business relationships, must be capable of maintaining balance and ensuring the rights of all parties. Any imbalance in contract formation can lead to conflicts, economic insecurity, and ultimately a decline in the credibility of legal systems.

Justice, as a fundamental value, should be considered at all stages of contract formation and execution. In many cases, ethical considerations and principles of social justice are not explicitly reflected in existing laws and regulations, which can exacerbate problems and inequalities. Therefore, justice must be an integral part of decision-making in contract law.

Despite extensive efforts to implement justice in contract law, numerous challenges and criticisms persist. Some argue that contract laws may be interpreted and enforced in favor of stronger parties, while others believe that justice in contracts should primarily focus on protecting weaker parties.

An analysis of justice and contract law reveals that these two concepts are engaged in a complex and dynamic interaction. Justice, not merely as a moral principle but as a practical necessity, plays a fundamental role in the formation, interpretation, and enforcement of contracts. This study demonstrates that significant challenges exist in applying justice to contractual relationships, including conceptual ambiguities in defining justice, power imbalances between parties, and implementation difficulties arising from changing economic and social conditions. Nevertheless, emphasizing corrective justice and efforts to enhance transparency, balance, and dispute resolution mechanisms can be effective steps toward improvement.

Ultimately, the overarching goal of these considerations is to establish a legal system that not only prioritizes efficiency and speed in transactions but also upholds human rights and dignity while fostering fairer and more sustainable relationships in society. Achieving this goal requires continuous review of laws and procedures, public education and awareness, and a firm ethical commitment to justice and fairness at all stages of the contractual process.

Legal challenges in the domain of justice and contract law often stem from inherent conflicts between flexibility and certainty, economic power and justice, and legal complexity and practical requirements. To effectively address these challenges, legal systems must work toward drafting clearer laws, implementing more efficient mechanisms, and adopting fairer approaches. These changes should consistently aim to balance the rights and interests of contracting parties while enhancing public trust in the legal system.

## Ethical Considerations

All procedures performed in this study were under the ethical standards.

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## Conflict of Interest

The authors report no conflict of interest.

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