MSI Journal of
Multidisciplinary Research (MSIJMR)

# Establishing Economic Justice in Times of Inflation: Judicial Intervention in the Enforcement of Contracts

**Zahirul Bashar**[1*]

[1*] Legal Associate, MCLaw Services Ltd., Dhaka, Bangladesh

***Correspondence:** Zahirul Bashar

*The authors declare that no funding was received for this work.*

**ABSTRACT:** This study examines how judicial intervention in contract enforcement can promote economic justice during periods of inflation. With reference to the pertinent case law of the Polish courts, this article presents an empirical perspective on the topic of judicial intervention in contract enforcement as a way to advance economic justice in inflationary times. Judicial responses to hardship due to inflation are analysed through core doctrines such as pacta sunt servanda, and frustration of contracts focusing on the Hon'ble Courts viers to balance contractual certainty and substantive justice by responding to market volatility. Based on the principles of welfare economics and social justice theory, the paper argues that economic justice is a constitutional imperative that is thoroughly judicial in nature. Inflation, it turns out, upsets the balance imposed by different contracts, and enforcing them rigidly is often economically unreasonable. It is here that the Hon'ble Courts of common law jurisdictions assumes a stabilizing position interpreting statutory clauses like Section 20, 56 and 70 of the Contract Act 1872 to allow for fairness within commercial certainty. This article arrives at the conclusion that there is a law–economy nexus which, so long as it is rooted in constitutional principles and is pragmatic in its application, can preserve market stability but protect

OPEN ACCESS

Received: 01-October-2025
Accepted: 20-October-2025
Published: 23-October-2025



This article is published in the **MSI Journal of Multidisciplinary Research (MSIJMR) ISSN 3049-0669 (Online)**

The journal is managed and published by MSI Publishers.

**Volume: 2, Issue: 10 (October-2025)**

distributive justice. It argues for judicial purposiveness as a means to reconcile contract law, with the moral and economic demands of justice in inflationary crises.

**Keywords:** *Economic Justice, Inflation, Judicial Intervention, Contract Enforcement, Bangladesh Constitution.*

## Introduction

The principle of *pacta sunt servanda* that 'agreements should be kept' underpins contract law, it provides certainty, security of legitimate expectations and creates long term-planning which is necessary in the case of complex commercial and private transactions (Zweigert & Kötz, 1998). Post-pandemic global economy together with heightened global tensions and supply chain snarl-ups unleashed into the world a level of inflation testing the world not seen for decades in most of the developed economies (Hauss & Meyer, 2022). While central banks work frantically to restore macroeconomic indicators near pre-crisis levels, an equally pitched battle rages in a courtroom. The Hon'ble Judges are confronted with an inexorable choice during times of high inflation that to strictly enforce the literal terms of contracts, even if it would result in economically ruinous, unconscionable or unfair results for one party or whether to step in and re-write the parties' bargain so that it corresponds more closely to new economic realities (Rea, 1982). This poses an important question for research that '*How do courts across different legal traditions balance the limits of pacta sunt servanda to repricing long-term contracts in response to distributive injustices caused by runaway inflation?*' The performance of contract is grounded in the *pacta sunt servanda* principle but when applied too literally an outcome would be reached in contravention with these same principles premised on equities inherent to substantial fairness whenever inflation erodes the actual value of what was performed (Schwenzer, 2008). The doctrine of economic justice which denotes the fair apportionment of burdens and benefits in contractual relations, thus empowers the Hon'ble Courts to address the basic problem involved in this study i.e. to what extent, and on which doctrine, the court should intervene to do justice in flow-inflation contracts?

This requires to deal with the relationship between Law and Economics. Traditionally, economists have emphasized the corrosive force of inflation and differentiated between expected inflation, which can be built into contracts, and unexpected inflation, an arbitrary and excise-like tax and a source of residual risk that is unpriced (Rea, 1982). The adverse feedback loop between inflation and inflation uncertainty, as defined by Friedman–Ball and Cukierman–Meltzer hypotheses, is also found in the economic literature, whose relevance for emerging economies is reconfirmed by recent empirical studies (Rafa & Basher, 2024). The analyses provide important evidence that inflationary shocks have a systemic character which undermines assumptions about private contracting. Doctrinally, changed circumstances have been attached to law for centuries. For example, common law courts in places like England have an impressive grip over textualism and rigorous doctrines like frustration and implied terms (Hodge, 2025; Treitel, 2015). The frameworks reflect a growing belief that strict enforcement of what constitutes a nominal duty may detract from rather than enhance the economic efficiency and moral authority of contract law. This research aims to address this gap by looking at how judicial intervention can enforce the principle of economic justice in the enforcement of contracts in instances of inflation, with the comparative and the normative approach.

**Methodology:**

The research uses a multi methodological approach to explore the research question: how can judicial intervention in contracts impaired by inflation, promote economic justice? It is sequentially organized, first to engage with a theory driven ground, second with empirical examples and third with a normative conclusion. Stage one: analysis of doctrines and concepts It lays the philosophical and legal underpinning of this research. This involves an exploration and testing of established doctrines like *pacta sunt servanda*, frustration, and hardship in primary sources of law (legislation, courts or arbitral decisions) and commentary of legal scholars. The second stage consists of a qualitative analysis of case law, which is the empirical core of the paper. It entails a systematic review and critical examination of judicial decisions from common law jurisdictions (i.e., England, as well as Australia and international

tribunals) over the past twenty years. The cases are chosen because of their relevance to contractual disputes either arising due to inflation, or being exacerbated by it. It is qualitative, examining judicial reasoning, interpretive approaches (textualism vs purposivism), procedural rules, and final remedies. Phase three is a comparative legal analysis, with an emphasis on statutory regimes. It compares the traditional common law approach, codified in the Bangladeshi Contract Act of 1872, with the more adaptable civil law systems, particularly in Central and Eastern Europe (CEE). It also contrasts the clear statutory provisions for hardship and judicial modification in the Czech Republic, Poland and Croatia. The comparison thus performs a twofold function; one, it identifies some of the failings of the existing statutory framework in Bangladesh, and two, it offers a catalogue of workable doctrinal alternative and remedial options that might help to inform judicial interpretation in Bangladesh without the need for an immediate legislative change. So, the last stage, synthesizing, is a theoretical- constitutional analysis. In this component, this part also examines the nexus between law and economics based on the finding from the previous stages. The article, based on institutional economics and mechanism-design theory and written in the spirit of the Law and Political Economy movement, argues that judicial intervention constitutes a real and necessary structural function of a legal system that is dynamic. In doing so, it locates its argument within the constitutional framework of Bangladesh, reading the values of equality, due process and freedom from exploitation as constituting a normative obligation on the judiciary to bring the enforcement of private contracts in line with the requirements of economic justice during times of inflation. This paper intends to build a principled, and coherent framework for judicial action. This methodology aims to tackle uncertainties in contract enforcement by providing a prescription of how the Hon'ble Courts can positively help reconcile the integrity of contracts with substantive fairness in an unpredictable socio-economic environment not only to replace the adequacy of the normative micro-economic analysis but also to promote both process and outcome justice.

**The Concept of Economic Justice:**

The notion of economic justice is one of the central tenets of social justice theory and welfare economics, which challenges the organization of economic institutions and

their moral and ethical implications to provide an environment in which everyone can live a dignified, productive, and creative life (Sen, 1999; Rawls, 1971). More than meeting material or economic needs, it is about creating just opportunities and fair sharing in the process of economy. As a multi-dimensional concept positioned in an intersection of economics and law, it combines theories of distributive justice and normative economics to explicate how liberty, equality and fairness may be combined into a cogent framework of institutions (Arrow, 1951; Sen, 1987). The history of theories of economic justice has paralleled the history of the development of political and economic thought. Developed by Jeremy Bentham and further elaborated in welfare economics, utilitarianism was based on overall societal welfare maximization via the summation of individual utilities. But this approach was tackled for ignoring inequality and equity in distribution (Arrow 1951; Sen 1970). This opened our eyes to the fact that the goals of social choice are often at odds with one another (Kenneth Arrow's Impossibility Theorem showed that no social choice system could fully satisfy all rational fairness criteria, revealing a fundamental tension between collective welfare on the one hand and individual preference on the other Arrow, 1951). A more basic zoom into this discussion has been promoted by Amartya Sen (1999) with his capability approach which has argued that justice should not simply be measured by economic outcomes but by the real freedoms that people have to lead lives they have reason to value.

In contract law, and on the foundation of economic justice, the interplay between freedom of contract before the Hon'ble Courts, tends toward a more explicit resolution. The principle that *pacta sunt servanda* agreements have to be kept is the bedrock of market economies and the rule of law (Zweigert & Kötz, 1998). This doctrine not only preserves predictability and protects *bona fide* expectations but also enables individuals and businesses to plan and budget appropriately. Yet, unqualified observance of such a principle can leads to unfair results in times of severe economic upheaval, as during periods of hyper-price rise. One of the elements of the judicial enforcement of contracts is the pursuit of economic justice, which is precisely the concern that is substantive from a theoretical perspective, given that the pursuit of economic justice in the judicial enforcement of contracts is in harmony with Rawls's theory of justice as fairness. According to Rawls (1971), institutions should be built

as if behind a 'veil of ignorance,' so that arrangements would be getting societal consensus also from the less fortunate members. In the court context this means that enforcement of private contracts should not produce some inequality or some dirt from the viewpoint of moral justice. The role of the Hon'ble Courts in defining or recalibrating contractual encumbrances to account for inflationary distortions is entirely different; the Hon'ble Courts do not function as unprincipled economic referees, seeking to create bright lines between the cost of input factors and the final prices in the market, but as custodians of an orderly and predictable framework for the operation of rights and interests of economic animals. This job fits into the grander design of law to broker between the twin paradoxes of market efficiency on the one hand and social justice on the other to keep the public confidence in private transactions and public institutions.

In addition, this stance is supported by Modern welfare economics. The idea of the social welfare function which emerged in the early twentieth century as a means to mathematically describe societal preferences regarding distribution (Bergson, 1938; Samuelson, 1947). Arrow's (1951) impossibility theorem and later criticism by Sen (1970) demonstrated the failure of purely utilitarian frameworks, establishing the need for concepts of justice that account for moral, ethical, and contextual issues. Hence, an intermediate or means by which economic justice is actually implemented; during inflationary phases as such, judicial intervention in adherence to the enforcement to a contract. The ratio, the Hon'ble Judges will have to apply, is how far the sanctity of contract is to be weighed against the need of justice which in my view ultimately must come out to be the guiding paramount imperatives entitling the demands hence collections and discharging contractual duties without an excessive or undue harshness or unreasonable burden on one party merely at the behest or unilateral statement or demand of the other party. It illustrates the jurisdiction and purview of the Hon'ble Courts to accommodate legal interpretation to shifting economic circumstances in a way that underscores the dynamism of common law as a living organism that grows through precedent and reasoning, not wholesale statutory replacement. Therefore, infamous and dispute-settlement aspect during inflation is fundamentally and normatively related to the way private rights are

balanced against the public interest in economic justice becomes a classic law / political science issue.

Thus, inflation makes the study of eco-nomic justice more than an abstract exercise. It describes how contractual arrangements are mediated through judicial institutions; how they serve the social welfare function of facilitating contracts that mesh law with opportunity and stability, which cannot be ensured through hostile literalism. Through this prism, the Hon'ble Courts are transformed not simply as enforcers of private contracts but rather as stewards of social equilibrium who, while preserving public trust in the legal order, also give the moral justice of the situation a space in the travelling capitalist order. The following sections will discuss how this conceptual basis takes place in practice under the Contract Act, 1872 under banking regulations and case law (mostly in common law jurisdictions, but South Asia and Bangladesh in particular).

**Judicial Decisions on Contract Enforcement:**

One of the most insidious and common disrupters of contractual equilibrium is inflation, the persistent and broad-based increase in the cost of goods and services. Although parties negotiate contracts when they reasonably believe that the relevant economic circumstances will be unchanged for the duration of the contract, a significant inflationary upheaval can radically alter the value turns of monetary obligations making performance overly burdensome for one of the parties and unduly advantageous to the other. This section of the paper will examine Judgments from Common Law jurisdictions regarding the dilemma of contractual construction, statutory interpretation and the problem of risk allocation when the fundamental economic tests upon which a contract is built are eradicated or are disrupted by inflationary pressures or equivalent economic dislocations.

One of the key judicial responses to economic transformation is the strict enforcement of contracts in accordance with contract construction principles. A seminal case providing this example is *Palladian Partners LP & Ors v The Republic Of Argentina & Anor* (2023). The disagreement was over new GDP-linked bonds, which required Argentina to pay if it achieved certain GDP thresholds. The essence

of the dispute was rooted in Argentina's re-basing of its GDP calculation, a manner of economic re-evaluation that carried inflationary effects, by arguing that this fact extinguished its obligations to pay. In contrast, the claimants argued that the proper construction called for an annual adjustment to reflect the rebasing. The Hon'ble Court going with the claimants on the 'plain meaning of the securities' expresses a first principle unless the parties have bargained over which way the contractual risk of market changes will fall (here, inflation and GDP rebasing), the Hon'ble Court will enforce the contract as written no matter how large the financial result against one party (here, a €1.33 billion judgment against the Italian government). It shows that multi-faceted parties are presumed to write contracts that will endure economic ups and downs, and judicial intervention to re-write the deal is infrequent. Equally important is the interpretation of standard form financial contracts. In *Macquarie Bank Limited v Phelan Energy Group Limited* (2022) the Hon'ble Court considered an ISDA Master Agreement in the context of the validity of notices given following an event of default. The ruling, that a notice was effective despite an error in the amount calculated, affirms the certainty expected by financial markets. The importance of this principle, maintaining the contractual mechanics even with imperfect calculations, is critical at times of economic stress (such as through high inflation), where the calculation of termination sums is difficult to calculate and sometimes rather contentious. Maintaining the purity of these contractual processes preserves the stability of markets, even in an unstable economic environment.

Some corporations may misstate financials, and chew up into statutory liability regimes during inflationary periods. The procedural and substantive hurdles that claimants must overcome is illustrated by a series of cases against *G4S Ltd and RSA Insurance Group*. The Hon'ble Court has been handling collective proceedings under the *Financial Services and Markets Act* 2000 (FSMA) in a burdensome fashion (*Various Claimants v G4S Ltd* (2022), even going so far as to ordering split trials and requiring caveats from claimants shortly at the outset identifying their specific cases of reliance). This sequential management is critical in mass claims in which an economic malaise or inflationary crisis has led to litigation, and means that liability issues like whether the published information was misleading, are determined before moving on to the more complex, individualized questions of whether each investor

relied on each such statement in a volatile market. *Allianz Global Investors GmbH v G4S Ltd* (2022) also provided some further guidance on the scope of who can be liable for those types of misstatement. The court refused to apply a broad reading of the term '*person discharging managerial responsibilities*' (PDMR) under FSMA, confined it to a *de jure* or *de facto* directors of a company, but not senior executives. Such narrow interpretations restrict the ambit of liability during economic downturns whereby excessive wide claims may be based upon the falling share prices during a period of inflation; protecting businesses from patent injustice. Yet the court did not strike out the claim in its entirety, finding that whether the individuals could be classified as *de facto* directors was a question of fact with a real prospect of success. *SL Claimants v Tesco PLC* (2019) tested the standing to bring such claims. The Hon'ble Court found that investors who held the shares in dematerialised form within the CREST system had an 'interest in securities' adequate to jurisdiction under FSMA. An expansive view of standing allows investors to seek redress when widespread loss occurs as a result of corporate misrepresentations of financial health, particularly in an inflationary environment where the effects of misstatements are magnified. On the other end of the spectrum is the case of *Various Claimants v G4S Plc* (2021) which highlights the perils of using fictitious claimants to introduce groups into a group action with the result of miscreating claims of around £92 million being struck out as a result of procedural errors. The development sounds an ominous note, however, as it appears to echo a continued commitment to the applied procedural rigour in complex financial litigation that is required irrespective of market conditions.

With inflation and financial crises, the issue of limitation periods takes the limelight, it does so often with a time delay. Time limits for bringing claims are set out in the *Limitation Act* 1980, and in most cases, this is 6 years although section 32 provides for this to be extended in the case of 'deliberate concealment'. This principle at work is illustrated most clearly in the context of the 2008 financial crisis in *Loreley Financing Jersey No 30 v Credit Suisse Securities (Europe) Limited and others* (2023). The claim for fraudulent misrepresentation in the sale of CDO notes was barred by the statute of limitations, as the claimant was aware of information sufficient to reasonably plead the fraud years before bringing the claim. This shows

that even in the most complicated of financial products and systemic fraud allegations, the limitation clock still ticks and a national or global crisis does not inherently mean that a claim can be heard later than would otherwise be the case.

This was in contrast to *Allianz Global Investors GmbH v RSA Insurance Group Ltd* (2021), in which the Hon'ble Court held that section 32 issues were unsuitable for summary judgment. It concluded that a more thorough exploration at trial was necessary so as to assess the stage at which the claimants ought to reasonably by that time have uncovered the particulars abusing their FSMA claim. It shows that Hon'ble Court will be looking very carefully at whether in a challenging economic environment public announcements or articles in the press will amount to sufficient notice so that a sophisticated investor should be put on notice of a potential claim. Also, in *Bilta (UK) Ltd (In Liquidation) v SVS Securities Plc* [2022] EWHC 1228 (Ch), the Hon'ble Court conducted a comprehensive limitation analysis and held that the liquidators had failed to discharge the burden of providing that the fraud could not have been discovered at an earlier time, which was a bar to the dishonest assistance claims. Together, these cases illustrate that while inflation and crisis may cloud wrongful conduct, the onus still rests on claimants to be vigilant once facts are available in a reasonably discoverable form. It is not unusual when economic disturbances occur for the legitimacy of the very contracts themselves, especially in a cross-border context, to be called into question. *Deutsche Bank AG London v Comune di Busto Arsizio* (2021) concerned, as the case name indicates, whether an Italian local authority was capable of entering into swap agreements subject to the law of England Running with the argument that Italian law, as interpreted by its Supreme Court rendered the swaps 'speculative', and that the statute mandated the swaps be ruled void for unspecified 'characteristics of the transaction'. The English Court entitled to depart from foreign supreme court conclusion on evidence and concluded that swaps were valid hedging derivatives Parties negotiating international financial contracts may take comfort in this assertion of jurisdictional independence and enforcement of their agreed choice of English law, stability the court notes is particularly important during periods of strain on the economy when sovereign entities, without a background in international agreement, may try to escape owed obligations. Jurisdictional clashes are similarly sourced by direct consequences of

financial crises and allegations of fraud, as in the case of *PJSC Bank 'Finance and Credit' v Zhevago* [2021]. The Hon'ble Court held that there was good service on one director but struck out the claim, ruling that the claim based on the alleged removal of funds from a Ukrainian bank was to be decided in Ukraine as the forum convenient. This captures the relationship between the jurisdictional rules and the underlying substantive disputes brought on by the economic collapse, and evidences that the courts have to walk a fine line between the procedural and the substantive in order to ensure that the forum is proper and fair.

Specialised procedural tools are needed as claims are pursued in a volatile economic environment. An excellent example of a proactive procedural mechanism adopted to deal with a systemic crisis is the *Financial Conduct Authority v Arch Insurance (UK) Ltd* (2020) test case. It was a case given 'test case' label under the *Financial Markets Test Case* Scheme and it produced definitive ruling as to the interpretation of the business interruption insurance policies in connection with an event with huge impact on the economy such as COVID-19 pandemic. The case was held in common to avoid hundreds of individual lawsuits and set a template for speedy judicial resolution of broad contractual disputes resulting from a large-scale contraction of an economy by addressing critical questions of contract uncertainty and causation together. In *Burford Capital Ltd v London Stock Exchange Group PLC* (2020), the claimant requested a Norwich Pharmacal order for information to ascertain the parties who were alleged to be responsible for the manipulation of its share price. The court rejected the application, describing the claim of unlawful involvement as only a 'conjecture'. It highlights that the Hon'ble Courts will not aid in fishing expeditions, even when the claim may suspect economic harm based on market manipulation, which can aggravate in times of financial volatility. In addition, *Loreley Financing (Jersey) No 30 Ltd v Credit Suisse Securities (Europe) Ltd* [2022] provided a useful reminder of the narrow confines of what the concept of litigation privilege does and does not protect, specifically ruling that the identity of those having authority to instruct on behalf of a corporate client is not a privileged matter. These rulings establish the extent of discovery available in complex financial litigation and shape a defendant's ability to access information necessary to build a limitation argument, typically a key issue in claims arising out of distant financial

crises. Finally, in *Madison Pacific Trust Ltd v Shakoor Capital Ltd* [2020] HCA 24, we see the Hon'ble Court showing a willingness to ensure that they interpret trust deeds in a way that facilitates an outcome that is practical and serves justice. The judgment decided that a trustee's obligation to distribute *pari passu* is not an impediment to it distributing funds to 'innocent' noteholders alone, where an arbitral award would otherwise have been rendered unenforceable (this being based on findings of illegality). This equitable approach ensures that contractual and fiduciary structures will adapt to prevent injustice, including in cases with a background of fraudulent schemes likely based on a bet on inflation-driven liquidity that are more likely to be exposed during economic downturns.

Consumer services rely on Hon'ble Courts respecting the sanctity of a contract, enforcing the terms agreed to through a strict construction of the same (Palladian Partners and Macquarie Bank). They uphold strict procedural and evidential requirements, especially in relation to the deficiency period and statutory standing, requiring that claims be advanced diligently and by the correct parties. Still, as illustrated by *Madison Pacific and the FCA Arch test* case, the hon'ble Courts equally have the means to provide an accessible and pragmatic remedy in the face of systemic problems or dishonest behaviour. In the end, the legal framework is built on the foundation of certainty and enforcement of agreements as drafted; while allowing enough flexibility to respond to the existential threats against the reliability and validity of lines of credit and contract ties that inflation and other crises throw to the financial marketplace and the nature of contractual relationships they maintain. These common law cases show an overall tendency towards textualism, however, as common law has taken root in Bangladesh in the particular context of the *Contract Act of 1872*, this can lead to even more difficulties meeting a claim of inflationary hardship.

**The Contract Act and Common Law Tradition:**

*The Contract Act*, 1872 is probably the quintessential example of the process of legal transplantation, and then its codification, particularly in a common law legal tradition. The purpose of the Act was not to create an entirely new body of law but, rather to restate definitively and precisely the common law of contract as it had

developed in England (Singh, 2019). That distinctive coexistence relationship with the common law, is embedded into even the structure of the Act. In particular, Section 1 states that 'nothing in this Act shall be construed to affect any usage or custom of trade, or the incident of any contract, not inconsistent with the provisions of this Act'. The sole apparent legislative route that permits the continued injection of the common law reasoning and commercial usages into a reading of the Act to avoid the transformation of the Act into a zombie (Mahmud, 2018).

It is not that the draftsmen of the Act are unaware of the classical paradigm whose roots here are so deeply set in a subjective will theory of agreement and an objective theory of agreement. The Section 2 definitions of proposal, acceptance, promise and consideration set out the framework of analysis of the formation of an agreement which is the same as under the English common law. The free consent of competent parties, to a lawful object, for consideration; are directly statutory codifications of the common law rule embodied in the Section 10 criteria of a valid contract (Beatson et al., 2010). Similarly, the detailed taxonomy of what negates consent, such as coercion (S. 15), undue influence (S. 16), fraud (S. 17), and misrepresentation (S. 18), mirrors the historical evolution at common law of equitable doctrines to control bargaining unfairness. However, the fact that the Act is a 19$^{th}$ century Code also circumscribes its ambits. The Act was written in an era that venerates contractual sanctity and the certainty of terms on the foundational premise that socio-economic developments were relatively stable.

In Contract Law of Bangladesh, the major statutory safety valve for supervening events is Section 56, as this reflects the frustrated state doctrine of the common law. It declares unenforceable a promise to do something that becomes impossible or unlawful after the contract is entered into. On the contrary, the Courts of Bangladesh and the region of Indian subcontinent have progressively leaned towards interpreting 'impossibility' in a non-literal and physical sense. In keeping with the English case-law milestones of *Taylor v. Caldwell* (1863) and *Krell v. Henry* (1903), the Hon'ble Courts look to what is called the foundation of the contract test. This was used effectively in landmark cases such as the ruling of the Indian Supreme Court (whose judgments are very persuasive in this region) in *Satyabrata Ghose v. Mugneeram*

*Bangur & Co.* (1954) that the relation of frustration applies where a 'change of circumstances entirely outside the contemplation of the parties' radically changes the nature of the agreement. Even with this wide interpretation, Section 56 is likely a blunt tool. It offers an all-or-nothing remedy: the contract is either enforceable or *void ab initio*. It provides no guidance for the challenging and ever more descriptive case of such hardship where performance continues to be objectively possible but where its character has been fundamentally changed for economic purposes rendering performance commercially impracticable or would result in a catastrophic and unforeseeable loss (Hossain 2020). As an example, huge inflation makes a ten-year constant fee supply settlement catastrophic for the supplier, and in the plain reading of section 56, it does not grant any relief. Faced with this void, the Bangladeshi courts have demonstrated the potential to engage in a creative purposive construction in order to inject flexibility into the statutory scheme. The potential therefor can be seen, however, in areas such as, Broad Interpretation of Frustration, the Hon'ble Courts have occasionally interpreted the doctrine of frustration broadly in the case of extreme economic disruption, even where a mature Doctrine of Hardship is lacking. In asking this, they are implicitly recognizing that the legal impossibility of a contract can in some cases be equivalent to commercial impossibility. This is the approach which aims to reconcile the Act with the development of the English common law, for example *Davis Contractors Ltd v Fareham Urban District Council* [1956] AC 696 (case establishes that increased difficulty, cost or delay does not discharge a contract by frustration). The contract still stands unless the change in circumstances is so serious that the commercial purpose of the deal is ruined. Secondly, with respect to mutual mistake under section 20 of the Contract Law, the Hon'ble Court demonstrated that a contract cannot be rescinded unless the mistake regards an existing and fundamental fact, not a simple expectation or future event. Therefore, section 20 would not apply in relation to the contract, which would remain enforceable, where performance is possible, although requiring effort; in the future and where performance is possible, but expensive. In *Davis Contractors v Fareham*, the contractor claimed that shortages of labour rendered it impossible to perform the contract at the time and cost agreed upon. The Hon'ble Court said it disagreed, it does not follow from the fact that performance of

the obligation is difficult or delayed, that it has become something else entirely, as such, the contract is valid and enforceable.

Where the parties had agreed to the general, bilateral assumption of a stable economic climate, the unexpected emergence of hyperinflation or devastating economic embargo can be regarded as a unilateral mistake over a focal fact, the economic climate that wrecks the contractual equilibrium (Hoque, 2019) Remedies based on Quasi-Contracts (Section 65 and 70), When a contract is found void as per Section 56 or *void ab initio*, Section 65 binds a person for restoration of such benefit or compensation, who obtained it under such an agreement. This principle of unjust enrichment is relevant to the achievement of equity at the point of discharge. Even more generally, Section 70 provides that a person who does something in benefit of another legitimately and with no intention of gratuitously doing so, is entitled to be paid. The preceding segments provide powerful legal justification to courts so as to prevent one party from reaching as the expense of the other where one party has conferred a benefit in accordance with a vitiated contract, thus possible a finer adjustment of loss than that of simple voidance (Bhuinya, 2022).

**Judicial Responses in Comparative Perspective:**

A lack of explicit clauses dealing with hardship and economic frustration in the Contract Act 1872 is reflective of a wider trend of traditional contract law. This legal theory supports the doctrine of pacta sunt servanda, which seals an inalterable and obligatory phenomenon of the contractual bond. This position acknowledges the longstanding principle that contracting parties should stick to their deal, come what may or what surprise hurdle. Yet a comparative analysis of the legal regimes in Central and Eastern European (CEE) jurisdictions reveals a more sophisticated approach to granting such protection of contractual stability especially against supervening events destroying the equilibrium set by the terms of a bilateral contract. But then, in these modern times, the legal systems that have developed in these areas also have very complex systems that is designed precisely to mitigate the complexities and even “uncertainties created by the operation of the unknown, or interferences of an uncertain nature.” Such responses to breaches of contract can be broadly divided into two categories, which are sometimes overlapping: the first is

legislative action providing clear directives as to how the parties are to renegotiate their contracts in a time of distress, with lawmakers taking the lead in creating or amending statutes. Such laws or amendments would specifically focus on economic crises and address some or all parties the ability to find relief and adapt in a defined framework. Judicial modification is the second way, and this is more commonly based on the principle called clausula rebus sic stantibus. Under this doctrine —one of the oldest in the law— courts can modify a contract in instances when an unforeseen event makes the performance of the contract painfully heavy for one party restoring an element of equity. Under this doctrine, courts recognize the facts of every case are different with family law and the need for a change to change the law.

Globally, legislative alteration of contracts is widely acknowledged as an exceptional device, to be used only in the case of an emergency giving rise to a risk of serious social consequences (Veress et al, 2022). Such intervention constitutes a state intrusion into private liberty with particularity reserved for instances where a public, systematic disequilibrium controls sizable numbers of likeotype contracts. A vivid example from the CEE region was the mass change of foreign currency (mainly CHF) loan contracts. Some countries such as Hungary, Serbia and Croatia made special regulations to convert these loans to local currency, introduce principal discounts and interest rate ceiling, as borrowers faced extreme hardship caused by huge changes in the exchange rate (Juhász, 2019; Karanikić Mirić, 2020b). In the same way, state legislation by emergency law was also stimulated by the COVID-19 pandemic (Hulmák et al., 2014; Veress et al., 2022), creating, for example, a moratorium on repayment of loans, and restricting termination of leases for non-payment, which were, for instance, declared in the Czech Republic (Hulmák et al., 2014) and in Slovenia (Veress et al., 2022), respectively. While desirable, there are limits to such interventions. As an example, the Hungarian Constitutional Court stressed that legislative change shall comply with the requirements of clausula rebus sic stantibus by pursuing an appropriate balance of interests under the changed circumstances and not a unilateral wealth distribution (Constitutional Court decision No. 8/2014). (III. 20.) AB). This illustrates that even in crisis, intervention can only be proportionate and fair, respecting the very substance of contractual relations.

For changes that are individual and not nationwide, and do not necessarily warrant legislative action on a massive scale, most CEE jurisdictions have3 enshrined the doctrine of judicial modification of the terms of obligations in general laws. This is a clear break from the traditional rule which states that a court may not modify contracts. The conditions for such intervention are stringent and cumulative, reflecting the exceptional nature of this remedy. National reports elaborate on these, usually requiring a fundamental change of circumstances taking place after the conclusion of the contract which was unpredictable, beyond the normal commercial risk of the disadvantaged party and causing the performance of the contract to be excessively burdensome, causing a gross imbalance between the reciprocal performances (Veress et al, 2022, pp.349). Example: The Czech Civil Code (§§ 1764-1766) contains a requirement of the aggrieved party to try to renegotiate the contract first. A court can only be asked to restore the original balance of rights and duties or, as a very last resort, to terminate the contract if this fails (Petrov et al., 2019). An example of this is the significant feature of the Romanian Code, which states that the debtor must have behaved in good faith, that is, he must at least have attempted to renegotiate before litigation ensued (RouCC, Article 1271). The remedial focus also varies. Although Serbian law at the outset indicates that the remedy of termination presides over the remedy of modification (SrbLO, Article 133), and the latter can only be granted in course of court proceedings with the agreement from both parties, in Croatian law its aggrieved party explicitly may claim for judicial modification, as the benefit of preservation of the contract over its termination (HrvLO, Article 369; Slakoper in Gorenc, 2014). This comparative understanding is vital for Bangladesh as it indicates that a contract-preserving judicial philosophy through adaptation may offer greater commercial stability than one that is biased for termination.

The difference between hardship (governed by clausula rebus sic stantibus) and frustration (generally confused with impossibility) is important and is not always so clearly marked out in the systems compared. Frustration as codified (Czech Civil Code (§§ 2006 et seq.)) is the termination of contracts due to objectively impossible performance, either physically or legally, which governs the conditions under which a contract is automatically terminated (Hulmák et al, 2014). The CEE analyses

further specify this, observing that where neither party is at fault (the only remedy available being termination together with damages under rules on unjust enrichment, as in Poland - PolCC, Article 495) or one party is liable (the obligation becomes a right to damages, as in Slovenia -SvnCO, Article 117). Hardship, by contrast, is not impossibility but a significant transform in cost or effort of performance that remains technically feasible. In Poland, this is more nuanced, separating the notions of "extraordinary changes in circumstances" (PolCC, art. $357^1$) and, importantly, a "substantial change in the purchasing power of money" (PolCC, art. $358^1$ § 3) which provides a tool that is not explicit and direct (but limited) for the courts to valorise monetary obligations before the inflation; the courts avoid giving a similar tool to entrepreneurs, and are very adamant as to the fact that entrepreneurship brings an obligation to shield yourself against these risks via indexation clauses (Radwański & Olejniczak, 2010). How different it is then that the Bangladeshi Act is silent on this legally relevant factor, whereas the shelter Act states inflation most forthrightly.

Though pacta sunt servanda is still essential, it has lost its absolute character, and this is what the comparative image allows to conclude. In these jurisdictions, modern contract law has produced a ladder of response to supervening events: frustration deals with true impossibility, clausula rebus sic stantibus (and specific provisions addressing monetary valorisation) address radical hardship and inflation, and the power of legislative adaptation is retained for systemic, mass crises. This highlights, for Bangladesh, that the innovative interpretation of Section 56 (frustration) and Section 20 (mistake) as well as the equitable principles in Sections 65 and 70 of the Contract Act is not only warranted but reflects an international progressive movement in relation to contract law. The CEE experience is therefore a valuable treasure trove of doctrinal standards and remedial choices to shape a consistent and equitable Bangladeshi judiciary without a need for hasty shifts in legislation to respond to economic upheaval.

**The nexus of Law and Economy**

Law and economy are not just parallel systems but are in a dynamic constitutive synergetic relation. Such exchanges and the circumstances in which they are made are governed by law so that the legal order tells us how economic exchange takes

place and the economic circumstances achieve foundational importance in the way law interprets and distributes. This confluence of spheres is especially relevant in times of inflation, when the balance of the market goes astray and judicial institutions are called upon as stabilizers of equity and confidence. Law and economics should be defined plural and contextual, not through the narrower, formalist perspectives of Chicago-style Law and Economics, which they describe as classical, according to the view of Craven & Hamlyn, 2021. They assert that the law & economics discourse is too complex to be framed only in terms of some universal efficiency or rational behaviour formula. Instead of a single relationship, how law and economy relate must be seen as plural, as there are several, often competing, logics of how law and economy interact, and contextual, as these interactions differ depending on social, historical, institutional and specific contexts. The classical Chicago School of Law and Economics regards law as a set of rules that ought to promote economic efficiency, with the expectation that people are rational utility-maximisers and that markets self-correct via the price mechanism. This lens is known as formalist at times, as it abstracts law as formal and mechanical models of mathematics and logic, while ignoring the variation in culture, power and inequality that exists in the real world. This is contested by Craven and Hamlyn (2021) who suggest that law and economy are co-constitutive, not least because law shapes markets as much as markets law do. They also remind that efficiency is one among many values, and that other values such as justice, stability, and participation also count. During inflation, for example, a purely formalist economist may insist that contract terms must be enforced without any alteration so as to maintain certainty. However, a pluralist, contextual view would observe that the same enforcement, in a shaky economy, could destroy small businesses and distort markets, so judicial tuning could improve both fairness and longer-term efficiency. The law, therefore, is not only a reflection of the economy, but rather a constitutive element because it creates rights, duties, and enforceable expectations (Deakin et al., 2017). The principle of economic justice, constitutionalised in Part III of the Constitution of the People's Republic of Bangladesh, thus provides a normative basis upon which aligned market freedom and distributive equity may be achieved. Articles 27, 31 and 32 (to be read together) ensure equality before law, due process, and the protection of

life and property, which imply that economic relations have to occur in the context of a fair legal order. In Article 8(2), the State also pledges to establishing a "society free from exploitation," which not only guarantees economic justice not only in the Constitution but in its very ethos. Thus, no less than private ordering cannot be reduced the judicial enforcement of contracts in inflationary crises to private ordering; it also performs the public function of maintaining socio-economic balance. Therefore, judicial intervention to readjust contractual duties in order to correct this inflation-induced injustice is not paternalism but constitutionally mandated economic justice. Thus, it is the theory of modern contracts that supports this judicial function. According to (Schwartz and Sepett, 2021) contract law serves as a planning institution that aims to fill in the gaps caused by incomplete markets. In real-world economies in which both uncertainty and asymmetrical information abound, and prices are not stable, finding of optimal market is equilibria (Lipsey & Lancaster, 1956; Hart, 1975). Thus, it is necessary that courts intervene to adjust inefficient or collectively irrational contracts which aggravate market distortions. The implications of this and other results from the theory of mechanism design provide a theoretical foundation for contributions from contract law to welfare-enhancing outcomes in situations where private parties are unable to achieve such outcomes through the efficient structuring of contractual incentives; (Myerson and Satterthwaite, 1983). The principle of judicial oversight, therefore, enables prospect of economic efficiency alongside equity which is conducive to economic functionality and social justice, according to (Sen, 1999), is nothing else but freedom as capabilities. Then the co-evolutionary view of law and economy, presented by (Deakin and Markou, 2021), provides a type of a middle-range, descriptive model of legal systems responding to economic change through evolutionary dynamics of variation, selection, and inheritance. Based on institutional economics and systems theory, this approach contends that economic justice is determined by the observations of these factions and the adaptation of jurisprudential practices over time. The judicial invocation of Section 56 of the *Contract Act* 1872 (doctrine of frustration) amidst inflationary or force-majeure scenarios during the pandemic, is, for example, a sullen instance of legal evolution syncing with macroeconomic changes.

Law is both a limit and an engine of economic ordering. Models of the law and economics of law and politics associated with Posner (1975) and Coase (1988) identified efficiency as the law's highest goal, but, as Campbell and Picciotto (1998) and the Law and Political Economy movement show, pay insufficient attention to the socially embedded relations that shape markets. Thus, in place of efficiency maximalism (the idea that market relations provide the most economic efficiency), the modern perspective substitutes embedded realism acknowledging that economic relations are socially and institutionally constructed (Granovetter, 1985; Perry-Kessaris, 2013). In addition, behavioural and institutional economics (Frerichs, 2021; Kahneman, 2011) warn that not all market actors act like rational beings. Legal norms that cure those market failures (e.g., judicial adjustments of interest rates or damages in inflationary contexts) are thus not only compensatory but also wide-ranging bounded-rationality justice, ensuring that the weaker or far less informed side in the transaction does not suffer undue disadvantage. Such jurisprudence of fairness will also strengthen the moral aspect of economic law postulated, In Etzioni, (1988) (p.282) as a vision of the economic order, ethically less responsible, because they make full use of free competition, without the slightest concern of balancing the gains of efficiency with moral responsibility.

The Bangladeshi context provides an example of the way judicial interventions in the area of contract enforcement can be developed to more closely attain objectives of economic justice in a manner that promotes both constitutional and developmental ends. The Hon'ble Courts lie at the juncture between efficiency and equity, giving rise to two roles: formalist, which abides by the clear and objective articulation of legal rules that provide certainty to private actors by protecting vested rights, and functionalist, which pragmatically departs from the above objectives to fashion rules that achieve principled, efficient, or socially desirable outcomes in the face of dynamic economic conditions. The former approach values consistency, predictability, and the autonomy of contract; the latter values flexibility and responsiveness. Finally, the Hon'ble Courts also strike a balance between the two, ensuring that the sanctity of contracts is maintained but at the same time take a pragmatic view with respect to enforcement of the contracts not resulting in social or economic harm. An example would be a formalist judge who enforces the long-term

supply contract in the face of an unexpected 300% inflation event versus a functionalist judge who provides at least partial relief (e.g., through renegotiation, some judicial adjustment, or restitution) in order to minimize unfairness and guesswork. As is shown in the context of Bangladesh, this balance is important for every modern legal system because it assures, particularly Constitutional obligations to justice that enforcing contracts reinforces or at the very least narrowly defined, economic stability. The Hon'ble Courts, then, are the moderator of the formal system that reconciles efficiency with equity, guaranteeing that law serves the goals of competition that are necessary to underpin economic stability, as well as the constitutional commitments to justice. In short, by ensuring that enforcement of contractual obligations during inflation does not amount to economic exploitation, the judiciary bolsters public trust, in market as well as law itself. Thus, to individually and collectively think of harmonizing law and economy is more than theoretical integration, it is a constant constitutional and institutional process. Judiciary, while enabling economic justice, serves as a stabilizer in inflationary economies using its power. This nexus highlights that the rule of law in the broadest sense of the term is not contrary to economic dynamism, but rather a prerequisite that ensures growth happens within a fair, equitable and just system.

**Conclusion**

Overall, the question of how to enforce contracts in the context of hyperinflation brings to the forefront a quintessential dispute between the timeless legal theory of *pacta sunt servanda*, on one hand, and the longer-standing demands of economic justice on the other. The paper show that the consequences of hyperinflation are often harsh and even unconscionable, and create a wedge between reality and contractual obligations that can corrode the health of markets and the general public trust of the legal system if the Hon'ble Courts cling strictly to contract terms when the underlying economic assumptions on which the contract are based have been broken. Thus, the pursuit of economic justice through the courts is the manifestation of an active, not a runaway, legal system. Analysing common law decisions shows the predominant judicial tendency to enforce the explicit language of contracts, leaving it to sophisticated parties to write contracts that will survive an economic downturn.

This position is balanced by the perceived ability to create new processes and neutrally intervene in systemic crises or fraud. The comparative perspective of the surrounding jurisdictions of Central and Eastern Europe illustrates a more graduated and subtle level of legal response to supervening events, where doctrines of hardship and legislation provide explicit rebalancing tools without resort to a less generous remedy of the termination. In the end, the relationship between law and economy is not a one way street but a co-constitutive dynamic. The law constitutes the basic framework for market behaviour; economic reality, on its part translates into legal interpretation and evolution. In jurisdictions such as Bangladesh, where legislation such as the Contract Act of 1872 is still operating as a classical code, the immediate way forward may not be rapid legislation reform but an innovative and purposive interpretation of existing provisions by the courts. If the judiciary were to aggregate the principles of frustration, mistake and unjust enrichment, orienting its jurisprudence according to the constitutional commitment to economic justice, it could develop in order to provide stability. It can balance the sanctity of contract with the moral necessity of fairness, so that enforcing contracts during inflation preserves both the confidence of markets and the basic principles of a fair society.

**Acknowledgement**

The author expresses sincere gratitude to the academic mentors, legal scholars, and institutions whose guidance and resources made this research possible. The author also acknowledges the contributions of researchers whose works on contract law, economic justice, and judicial intervention have significantly informed this paper. Finally, heartfelt appreciation is offered to family and colleagues for their unwavering support, patience, and encouragement throughout the research journey.

**Conflict of Interests**

The author declares that there is no conflict of interests concerning the publication of this paper. The research was conducted independently, without any financial, institutional, or personal relationships that could be perceived as influencing its findings, interpretations, or conclusions.

**References:**


1. Akerlof, G. A. (1970). The market for "lemons": Quality uncertainty and the market mechanism. *Quarterly Journal of Economics, 84*(3), 488–500.
2. Allianz Global Investors GmbH v G4S Ltd [2022] EWHC 1081 (Ch).
3. Allianz Global Investors GmbH v RSA Insurance Group Ltd [2021] EWHC 2950 (Ch).
4. Arnold v Britton [2015] UKSC 36. Retrieved from https://www.supremecourt.uk/cases/uksc-2013-0189.html
5. Arrow, K. J. (1951). *Social choice and individual values.* Yale University Press.
6. Asamera Oil Corp. v Sea Oil & General Corp. [1979] 1 S.C.R. 633 (Canada Supreme Court).
7. Attorney General of Belize v Belize Telecom Ltd [2009] UKPC 10.
8. Ball, L. (1992). Why does high inflation raise inflation uncertainty? *Journal of Monetary Economics, 29*(3), 371–388.
9. Beatson, J., Burrows, A., & Cartwright, J. (2010). *Anson's law of contract* (29th ed.). Oxford University Press.
10. Bergson, A. (1938). A reformulation of certain aspects of welfare economics. *Quarterly Journal of Economics, 52*(2), 310–334. https://doi.org/10.2307/1881737
11. Bhuinya, S. M. (2022). *The law of contract in Bangladesh* (2nd ed.). University Press Ltd.
12. Binder, C. (2013). Changed circumstances and the law of treaties: A comparative study. In M. Fitzmaurice, O. Elias, & P. Merkouris (Eds.), *Treaty interpretation and the Vienna Convention on the Law of Treaties: 30 years on* (pp. 413–441). Martinus Nijhoff.
13. Bilta (UK) Ltd (In Liquidation) v SVS Securities Plc [2022] EWHC 723 (Ch).
14. Binder, C. (2013). *Die Grenzen der Vertragstreue im Völkerrecht.* In *Beiträge zum ausländischen öffentlichen Recht und Völkerrecht* (Vol. 245, pp. 617–685). Max-Planck-Gesellschaft.
15. Burford Capital Ltd v London Stock Exchange Group PLC [2020] EWHC 1183 (Comm).
16. Campbell, D., & Picciotto, S. (1998). Exploring the interaction between law and economics: The limits of formalism. *Legal Studies, 18*(3), 249–278.

17. Carter, J. W., Peden, E., & Tolhurst, G. J. (2018). *Contract law in Australia* (7th ed.). LexisNexis Butterworths.
18. Cavendish Square Holding BV v El Makdessi [2015] UKSC 67.
19. Codelfa Construction Pty Ltd v State Rail Authority of NSW (1982) 149 CLR 337 (High Court of Australia).
20. Coase, R. H. (1988). *The firm, the market, and the law.* University of Chicago Press.
21. Constitution of the People's Republic of Bangladesh, Part III (Fundamental Rights).
22. Craven, R., & Hamlyn, O. (2021). Economics in law: Law in economics. *Northern Ireland Legal Quarterly, 72*(4), iii–vii.
23. Cukierman, A., & Meltzer, A. H. (1986). A theory of ambiguity, credibility, and inflation under discretion and asymmetric information. *Econometrica, 54*(4), 1099–1128.
24. Davis Contractors Ltd v Fareham Urban District Council [1956] A.C. 696 (HL).
25. Deakin, S., Gindis, D., Hodgson, G. M., Huang, K., & Pistor, K. (2017). Legal institutionalism: Capitalism and the constitutive role of law. *Journal of Comparative Economics, 45*(1), 188–200.
26. Deutsche Bank AG London v Comune di Busto Arsizio [2021] EWHC 2706 (Comm).
27. Dodd Properties v Canterbury City Council [1980] 1 All E.R. 928.
28. Etzioni, A. (1988). *The moral dimension: Towards a new economics.* Free Press.
29. Faruque, A. A. (2017). Harmonisation of commercial law in Bangladesh: A case for the adoption of the UNIDROIT principles. *Bangladesh Journal of Law, 21*(1–2), 45–68.
30. Financial Conduct Authority v Arch Insurance (UK) Ltd [2020] EWHC 2448 (Comm).
31. Friedman, M. (1977). Nobel lecture: Inflation and unemployment. *Journal of Political Economy, 85*(3), 451–472.
32. Frerichs, S. (2021). Behavioural and institutional economics in law and legal realism. *Law and Economics Special Issue, 72*(4), vi–vii.
33. Granovetter, M. (1985). Economic action and social structure: The problem of embeddedness. *American Journal of Sociology, 91*(3), 481–510.

34. Hart, O. D. (1975). On the optimality of equilibrium when the market structure is incomplete. *Journal of Economic Theory, 11*(3), 418–443.
35. Hauss, J., & Meyer, C. (2022). Contract adaptation and inflation: The German perspective on economic hardship. *European Review of Private Law, 30*(4), 765–789.
36. Hauss, T., & Meyer, T. (2022). Contract adjustment in the event of inflation and crises: When the world is upside down, what are the implications for ongoing agreements? [Blog post].
37. Hoque, M. I. (2019). The doctrine of mistake in the Contract Act 1872: A critical appraisal. *Chittagong University Journal of Law, 24*, 1–22.
38. Hossain, M. S. (2020). Contractual hardship and the quest for equitable solutions in Bangladeshi law. *Dhaka University Law Journal, 31*(2), 89–105.
39. Hodge, Lord. (2025, February 27). *Developing the law of contract: The work of the United Kingdom Supreme Court* [Speech]. Universiti Islam Sultan Sharif Ali, Brunei Darussalam.
40. Hodge, S. (2025). Textualism and contractual risk allocation in contemporary English law. *Law Quarterly Review, 141*(1), 45–72.
41. Kahneman, D. (2011). *Thinking, fast and slow.* Penguin.
42. Khan, M. W. (2021). *Comparative contract law: South Asian perspectives.* Cambridge University Press.
43. Krell v Henry [1903] 2 K.B. 740.
44. Law Reform (Frustrated Contracts) Act 1943, c. 40 (United Kingdom Parliament).
45. Leeds City Council v Barclays Bank Plc [2021] EWHC 363 (Comm).
46. Lewis v Todd [1980] 2 S.C.R. 694 (Canada Supreme Court).
47. Lipsey, R. G., & Lancaster, K. (1956). The general theory of second best. *Review of Economic Studies, 24*(1), 11–32.
48. Llewellyn, K. N. (1931). Some realism about realism—Responding to Dean Pound. *Harvard Law Review, 44*(8), 1222–1264.
49. Loreley Financing (Jersey) No 30 Ltd v Credit Suisse Securities (Europe) Ltd [2022] EWHC 1136 (Comm).
50. Macquarie Bank Ltd v Phelan Energy Group Ltd [2022] EWHC 2616 (Comm).

51. Mahmud, R. (2018). The reception of English law in Bangladesh: A historical perspective. *Journal of Legal Pluralism and Unofficial Law, 50*(3), 314–333.
52. Marks and Spencer plc v BNP Paribas Securities Services Trust Co (Jersey) Ltd [2015] UKSC 72.
53. Myerson, R. B., & Satterthwaite, M. A. (1983). Efficient mechanisms for bilateral trading. *Journal of Economic Theory, 29*(2), 265–281.
54. Palladian Partners LP & Ors v Republic of Argentina & Anor [2023] EWHC 711 (Comm).
55. Perry-Kessaris, A. (2013). *Towards an economic sociology of law.* Wiley & Sons.
56. Rawls, J. (1971). *A theory of justice.* Harvard University Press.
57. Rea, S. A. (1982). Inflation and the law of contracts. *American Economic Review, 72*(2), 367–371.
58. Rea, S. A., Jr. (1982). Inflation and the law of contracts and torts. *Osgoode Hall Law Journal, 14*(1), 1–19.
59. Renard Constructions (ME) Pty Ltd v Minister for Public Works (1992) 26 NSWLR 234 (Supreme Court of New South Wales).
60. Satyabrata Ghose v Mugneeram Bangur & Co. A.I.R. 1954 S.C. 44 (India Supreme Court).
61. Samuelson, P. A. (1947). *Foundations of economic analysis.* Harvard University Press.
62. Scalia, A. (1989). The rule of law as a law of rules. *University of Chicago Law Review, 56*(4), 1175–1188.
63. Schwartz, A., & Scott, R. E. (2016). The common law of contract and the default rule project. *Virginia Law Review, 102*(7), 1523–1577.
64. Schwartz, A., & Sepett, S. M. (2021). Economic challenges for the law of contract. *Yale Journal on Regulation, 38*(3), 678–705.
65. Schwenzer, I. (2008). Force majeure and hardship in international sales contracts. *Victoria University of Wellington Law Review, 39*(4), 709–725. https://doi.org/10.26686/vuwlr.v39i4.5630
66. Sen, A. (1970). *Collective choice and social welfare.* Holden-Day.
67. Sen, A. (1987). *On ethics and economics.* Blackwell.
68. Sen, A. (1999). *Development as freedom.* Oxford University Press.

69. Taylor v Caldwell (1863) 3 B & S 826 (QB).
70. The Contract Act, 1872 (Act No. IX of 1872). Government of the People's Republic of Bangladesh. https://bdlaws.minlaw.gov.bd/act-3.html
71. The Moorcock (1889) 14 P.D. 64.
72. Treitel, G. H. (2015). *Frustration and force majeure* (3rd ed.). Sweet & Maxwell.
73. UNIDROIT. (2016). *UNIDROIT principles of international commercial contracts.* International Institute for the Unification of Private Law. https://www.unidroit.org/instruments/commercial-contracts/unidroit-principles-2016
74. Wood v Capita Insurance Services Ltd [2017] UKSC 24.
75. Yam Seng Pte Ltd v International Trade Corporation Ltd [2013] EWHC 111 (QB).
76. Zeller, B. (2020). Hardship and economic equilibrium in international commercial contracts: Revisiting the concept under global inflation. *Journal of International Commercial Law, 12*(2), 145–168.
77. Zweigert, K., & Kötz, H. (1998). *An introduction to comparative law* (T. Weir, Trans., 3rd ed.). Oxford University Press.