

**How to cite this article:**

Shirzadifar, A., Norouzi, M., & Hosseini Moghaddam, S. H. (2025). The Application of General Contract Law Principles to the Formation of Modern Contracts in Development Programs. *Journal of Historical Research, Law and Policy*, 3(3), 1-17. <https://doi.org/10.61838/jhrlp.175>



Article history:
Original Research

Dates:

Submission Date: 28 May 2025

Revision Date: 13 August 2025

Acceptance Date: 20 August 2025

Publication Date: 30 September 2025

The Application of General Contract Law Principles to the Formation of Modern Contracts in Development Programs

1. Ahmadreza. Shirzadifar¹: Ph.D. candidate, Department of Private Law, Sari Branch, Islamic Azad University, Sari, Iran
2. Mohammad. Norouzi ^{2*}: Assistant Professor, Department of Private Law, Sari Branch, Islamic Azad University, Sari, Iran
3. Seyed Hassan. Hosseini Moghaddam³: Associate Professor, Department of Private Law and Political Science, University of Mazandaran, Mazandaran, Iran

*corresponding author's email: nourozi@ut.ac.ir

ABSTRACT

The expansion of national development programs has profoundly transformed the legal role of contracts, shifting them from instruments of purely private exchange to mechanisms that implement public policy, coordinate complex economic activities, and manage long-term public-private relationships. This article examines how general contract law principles operate and adapt in the formation of modern contracts within development-oriented frameworks. Employing a descriptive-analytical narrative review method, the study analyzes doctrinal writings and contemporary legal debates to clarify the continued relevance of foundational principles such as consent, autonomy of will, legality, good faith, certainty, and consideration or causa in regulated and technologically mediated contractual environments. The analysis demonstrates that modern development contracts—characterized by long duration, structural complexity, regulatory embeddedness, and hybrid public-private features—do not displace general contract principles but rather necessitate their contextual reinterpretation. Particular attention is devoted to the doctrinal reconfiguration of consent and autonomy under regulatory constraints, the enhanced normative role of good faith and fairness in managing uncertainty and asymmetry, and the delicate balance between contractual freedom and public interest objectives. The article further identifies key legal challenges arising from conflicts between classical doctrines and regulatory demands, as well as the risks associated with excessive formalism or undue flexibility in applying general principles. It argues that a contextual and purposive application of general contract law principles provides a coherent framework for ensuring legal certainty, contractual stability, and policy effectiveness in development programs. By articulating doctrinal pathways for adaptive interpretation, the study contributes to a more integrated understanding of modern contract formation and offers a conceptual foundation for future legal development in development-oriented contracting.

Keywords: General Contract Principles; Modern Contracts; Development Programs; Contract Formation; Public-Private Contracts; Legal Adaptation

Introduction

Contractual relations have undergone profound transformation in parallel with the evolution of national development programs and large-scale public policy initiatives. Traditionally, contracts were conceived as private instruments grounded in the autonomy of will, designed to regulate bilateral exchanges between formally equal parties. However, the increasing complexity of economic governance, technological advancement, and state-led development planning has gradually altered both the function and structure of contractual arrangements.



© 2025 the authors. This is an open access article under the terms of the Creative Commons Attribution-NonCommercial 4.0 International (CC BY-NC 4.0) License.

Development programs today rely extensively on contracts as instruments for implementing policy goals, coordinating public and private actors, and allocating risks across long-term and often multi-party relationships. This shift has moved contracts beyond their classical role as neutral private-law mechanisms and positioned them at the intersection of private law, public regulation, and economic planning, thereby redefining their legal character and doctrinal foundations. Comparative analyses of contract law confirm that this transformation is neither isolated nor jurisdiction-specific but reflects a broader trend toward functional and adaptive contractual frameworks in contemporary legal systems (1).

Within the framework of development programs, contractual relations increasingly serve regulatory and coordinative functions rather than merely transactional ones. States utilize contracts to attract investment, implement infrastructure projects, regulate strategic industries, and ensure compliance with policy objectives such as sustainability, technological innovation, and social welfare. Investor-state contracts, public-private partnerships, and long-term concession agreements illustrate how contractual instruments have become embedded within normative and regulatory environments that significantly constrain contractual freedom. Studies on investor-state contractual practice demonstrate that the sanctity of contract, traditionally encapsulated in the principle of *pacta sunt servanda*, is now frequently confronted with economic volatility, regulatory change, and public-interest considerations (2). As a result, contract law is increasingly required to reconcile the stability of contractual commitments with the flexibility demanded by development-oriented governance.

The emergence of modern and hybrid contractual forms is closely linked to these evolving functions. Modern contracts are no longer confined to standardized bilateral agreements but encompass complex, relational, and technologically mediated arrangements. Digitalization has further accelerated this transformation, introducing smart contracts, automated enforcement mechanisms, and algorithmic negotiation processes that challenge classical assumptions about consent, interpretation, and performance. Legal scholarship on digital and smart contracts highlights that these instruments blur the boundary between legal norms and technical code, raising fundamental questions about the nature of contractual obligation and enforceability (3). Research on the legal regulation of smart contracts in civil law systems underscores that while these contracts may automate performance, they remain embedded in broader legal frameworks that rely on general contract principles for their validity and interpretation (4).

Hybrid contractual forms also emerge from the convergence of public and private interests in development programs. These contracts often combine elements of administrative regulation, public procurement, and private-law agreements, creating structures that cannot be fully explained through classical contract typologies. Comparative studies of contract law transformation in digital and developmental contexts emphasize that modern contracts increasingly reflect regulatory objectives and policy-driven constraints rather than pure market autonomy (5). This hybridity challenges traditional doctrinal classifications and necessitates a re-examination of how general contract rules operate when contracts function as tools of governance rather than mere expressions of private intent.

The growing tension between classical contract law principles and modern regulatory needs lies at the core of contemporary contract theory. Classical doctrine emphasizes autonomy of will, freedom of contract, certainty, and predictability as foundational values. These principles presuppose relatively stable economic conditions and a clear separation between private ordering and public regulation. However, development programs operate in dynamic environments characterized by regulatory change, long-term uncertainty, and asymmetrical bargaining power

between states and private actors. Legal analysis of development-oriented contracts demonstrates that strict adherence to classical principles may undermine the adaptability required for effective policy implementation, while excessive regulatory intervention risks eroding contractual certainty and investor confidence (6). This tension manifests in debates over contract modification, termination for public convenience, and the allocation of unforeseen risks in long-term development contracts.

The expansion of technological contracting further intensifies these doctrinal tensions. Smart contracts, for example, rely on automated execution and predefined conditions that may limit the application of traditional doctrines such as good faith, hardship, or impossibility. Scholars analyzing the legal nature of smart contracts question whether these instruments should be treated as contracts, program code, or hybrid constructs, particularly when automated execution conflicts with equitable considerations (7). At the same time, arguments supporting the enforceability of irreversible smart contract execution emphasize the role of consideration and consent in legitimizing automated performance, suggesting that general contract principles continue to play a foundational role even in technologically advanced contractual forms (8). These debates illustrate that modern contracting does not replace classical principles but rather forces their reinterpretation within new functional and technological contexts.

The research problem addressed in this study arises from the increasing reliance of development programs on modern contractual mechanisms without a sufficiently coherent doctrinal framework for applying general contract principles to their formation. While legislative reforms and sector-specific regulations have attempted to address particular contractual challenges, there remains a lack of systematic analysis regarding how general rules of contract law operate in the formation stage of modern contracts within development programs. Legal scholarship on civil law systems emphasizes that general contract principles retain normative authority as default rules governing consent, validity, and interpretation, even when contracts are embedded in regulatory regimes (9). However, the application of these principles to complex, hybrid, and technologically mediated contracts raises unresolved doctrinal questions that directly affect legal certainty, contractual stability, and policy effectiveness.

The legal significance of this problem lies in its implications for both private-law coherence and public policy implementation. From a doctrinal perspective, unclear or inconsistent application of general contract rules risks fragmenting contract law and undermining its systematic integrity. Comparative analyses of civil law modernization highlight that excessive reliance on ad hoc regulatory solutions may weaken the unifying function of general principles and create interpretive uncertainty (10). From a practical standpoint, uncertainty in contract formation rules may deter investment, increase transaction costs, and generate disputes that compromise the objectives of development programs. Studies examining contractual opportunism and benefit recovery in comparative contexts demonstrate that inadequate doctrinal clarity can exacerbate power imbalances and opportunistic behavior in complex contractual relationships (11).

The objectives of this study are framed within this doctrinal and practical context. The article seeks to analyze how general principles of contract law can be applied and adapted to the formation of modern contracts used in development programs, without undermining their classical foundations or ignoring contemporary regulatory realities. By adopting a descriptive and analytical narrative review approach, the study examines doctrinal writings, comparative legal analyses, and scholarly discussions on modern contracting to identify patterns, challenges, and interpretive strategies. The scope of the analysis encompasses both traditional civil law perspectives and emerging discussions on digital and hybrid contracts, with particular attention to the interaction between private-law principles and development-oriented regulation. Existing literature on the role of contract law in corporate and large-scale

transactions confirms the necessity of such integrative analysis to maintain coherence across diverse contractual contexts (12).

The scope of the study is deliberately limited to the formation stage of contracts, as this phase represents the point at which general principles such as consent, autonomy, legality, and good faith exert their most significant influence. While performance and enforcement issues are critically important, focusing on contract formation allows for a clearer assessment of how foundational doctrines operate in modern contractual environments. Research on model contract law development in special economic and cooperation zones illustrates that formation rules often determine the long-term stability and adaptability of development contracts (13). By concentrating on formation, the study aims to contribute to a more systematic understanding of how general contract rules can accommodate innovation without sacrificing doctrinal consistency.

The guiding aim of this article is to clarify the doctrinal pathways through which general contract law principles may be applied to the formation of modern contracts within development programs, thereby enhancing legal coherence and practical effectiveness. The central questions guiding the analysis are how classical contract principles are transformed or reinterpreted in development-oriented contractual frameworks, to what extent regulatory and technological factors reshape the formation process, and how a balanced application of general rules can reconcile contractual certainty with policy-driven flexibility. Through addressing these questions, the study seeks to provide a conceptual foundation for future doctrinal development and informed legal policymaking in the field of modern contract law.

Conceptual and Theoretical Framework of General Contract Law Principles

General contract law principles constitute the foundational normative framework through which contractual relations are recognized, validated, and structured within legal systems. These principles function as abstract yet operative norms that guide the formation of contracts across diverse contexts, irrespective of the specific subject matter or the identity of the contracting parties. In civil law traditions in particular, general principles serve as unifying elements that ensure coherence and predictability in contractual relations while allowing sufficient flexibility to accommodate social and economic change. Scholarly treatments of general contract rules emphasize that these principles are not merely technical requirements but embody fundamental legal values that reflect broader conceptions of justice, autonomy, and social order (14). As contractual relations increasingly intersect with regulatory frameworks and development policies, understanding the conceptual structure of these principles becomes essential for assessing their continued relevance and adaptability.

Consent occupies a central position among general contract principles, as it represents the juridical manifestation of the parties' intention to create binding legal obligations. Classical contract theory regards consent as the primary criterion distinguishing contractual obligation from other forms of legal liability, grounding enforceability in the meeting of wills. Civil law doctrine traditionally requires that consent be free, informed, and genuine, thereby excluding contracts formed through coercion, mistake, or fraud. Comparative contract law analyses demonstrate that while the formal expression of consent may vary across legal systems, its core function as a legitimizing mechanism remains constant (1). In modern contractual environments, however, consent increasingly operates within standardized, automated, or highly regulated settings, prompting doctrinal debates about the extent to which traditional notions of volitional agreement remain adequate. Studies on digital and smart contracts highlight that

consent may be expressed through technical actions rather than explicit negotiation, yet legal systems continue to rely on general consent doctrines to validate such agreements (5).

Closely linked to consent is the principle of autonomy of will, which affirms the parties' freedom to determine the content and structure of their contractual relations. Autonomy of will reflects a liberal conception of contract law, emphasizing individual self-determination and private ordering. Classical legal thought views this principle as a cornerstone of contractual justice, enabling parties to pursue their interests within the bounds of the law. However, modern legal scholarship recognizes that autonomy of will is not absolute but operates within a framework of mandatory rules and public policy constraints. Analyses of corporate and large-scale commercial transactions illustrate that contractual autonomy is often shaped by regulatory standards, economic power asymmetries, and institutional requirements (12). In development-oriented contracts, autonomy of will is further conditioned by public interest objectives, requiring a recalibration of its scope without negating its normative significance.

The principle of legality functions as a structural limitation on contractual autonomy, ensuring that contracts conform to mandatory legal norms and public policy considerations. Legality requires that the object and purpose of a contract not contravene statutory prohibitions or fundamental societal values. In classical doctrine, this principle safeguards the legal order by preventing private agreements from undermining public interests. Modern legal systems increasingly rely on legality as a mechanism for integrating regulatory objectives into contractual relations, particularly in sectors subject to intensive state oversight. Research on investor-state contracts demonstrates that legality plays a decisive role in aligning contractual commitments with evolving regulatory frameworks and development policies (2). As a result, legality operates not merely as a negative constraint but as a dynamic interface between private autonomy and public governance.

Good faith represents one of the most influential yet conceptually complex principles of contract law. Traditionally associated with honesty and fairness in contractual dealings, good faith has evolved into a multifaceted normative standard governing pre-contractual negotiations, contract formation, and performance. Civil law scholarship emphasizes that good faith functions as an interpretive and corrective principle, enabling courts to address opportunistic behavior and mitigate the rigidity of formal rules (9). Comparative studies on contractual opportunism highlight the role of good faith in preventing the unjust exploitation of informational asymmetries and bargaining power imbalances (11). In modern contracting environments, particularly those involving long-term and relational agreements, good faith assumes heightened importance as a mechanism for maintaining trust and cooperation amid uncertainty.

Certainty constitutes another foundational principle, reflecting the need for clarity and predictability in contractual obligations. Classical contract theory associates certainty with the requirement that contractual terms be sufficiently definite to allow for enforcement. This principle supports legal security by enabling parties to assess risks and plan their conduct accordingly. However, modern contracts, especially those embedded in development programs, often incorporate flexible or adaptive clauses designed to respond to changing economic and regulatory conditions. Legal analyses of contract modernization suggest that certainty must be balanced against flexibility, rather than rigidly enforced, to preserve the functional effectiveness of complex contractual arrangements (6). The challenge lies in preserving a minimum threshold of determinacy while allowing for mechanisms that accommodate future contingencies.

The principle of consideration or causa, depending on the legal tradition, provides the justificatory basis for contractual obligation by linking enforceability to the exchange or purpose underlying the agreement. In common

law systems, consideration operates as a formal requirement distinguishing enforceable promises from gratuitous undertakings, while civil law systems rely on *causa* to assess the legitimacy of contractual purpose. Comparative scholarship underscores that despite doctrinal differences, both concepts serve a similar normative function in legitimizing contractual commitment (1). Contemporary discussions on smart contracts and automated execution raise questions about how consideration or *causa* is manifested in technologically mediated agreements, yet scholars generally agree that these principles remain essential for grounding contractual validity (8).

The theoretical foundations of these general principles are rooted in both classical and modern legal thought. Classical contract theory, influenced by liberal philosophy and economic individualism, emphasizes autonomy, consent, and certainty as expressions of rational self-interest and market efficiency. Modern legal thought, by contrast, incorporates sociological and regulatory perspectives that recognize the social embeddedness of contracts and the need for corrective principles such as good faith and legality. Analyses of the future of civil law in the context of legal technology illustrate how general principles serve as anchors of continuity amid rapid doctrinal and technological change (10). This theoretical evolution reflects a shift from purely formalistic conceptions of contract toward a more functional and context-sensitive approach.

Normatively, general contract law principles perform a crucial role in the formation of contracts by providing criteria for validity, interpretation, and legitimacy. They operate as default norms that fill gaps in contractual arrangements and guide judicial reasoning in cases of ambiguity or dispute. In development-oriented contracts, where statutory regulation may be fragmented or sector-specific, general principles offer a coherent framework for assessing the legitimacy of contractual formation. Studies on the construction of model contract law for special economic zones emphasize that reliance on general principles enhances legal coherence and facilitates cross-sectoral consistency (13). By anchoring contract formation in widely accepted norms, these principles contribute to both legal certainty and normative legitimacy.

The adaptability of general contract principles to evolving legal and economic contexts represents one of their most significant strengths. Rather than functioning as rigid rules, these principles possess an inherent elasticity that allows them to be reinterpreted in response to new contractual forms and regulatory demands. Scholarship on smart contracts and legal enforceability demonstrates that even highly automated agreements remain subject to general principles governing consent, legality, and good faith, albeit applied in novel ways (15). Comparative analyses of smart contract regulation further indicate that general principles provide a bridge between traditional contract doctrine and emerging technological practices (16). This adaptability ensures that contract law remains responsive without sacrificing its foundational coherence.

In sum, the conceptual and theoretical framework of general contract law principles reveals a dynamic interplay between stability and change. Consent, autonomy of will, legality, good faith, certainty, and consideration or *causa* collectively constitute a normative architecture that underpins contract formation across diverse legal contexts. Their theoretical evolution reflects broader shifts in legal thought, while their normative function ensures continuity and legitimacy in contractual relations. As contracts increasingly operate within development programs and technologically mediated environments, the adaptability of these principles becomes essential for reconciling classical doctrine with modern regulatory and economic realities.

Modern Contracts and Development Programs: Legal Characteristics

The concept of “modern contracts” within development frameworks reflects a fundamental shift in the legal function of contracting from a purely private ordering mechanism to a strategic instrument of public governance and economic planning. In classical contract theory, contracts are primarily understood as bilateral agreements concluded between formally equal parties for the exchange of goods or services, with limited concern for broader policy objectives. By contrast, modern contracts used in development programs are designed to operationalize long-term national strategies, mobilize private capital, and coordinate complex economic activities across sectors. Legal scholarship increasingly emphasizes that such contracts cannot be adequately analyzed through traditional doctrinal lenses alone, as they are embedded in regulatory environments and shaped by policy-driven imperatives (1). In this sense, modern contracts function simultaneously as legal transactions and governance tools, reflecting an expanded conception of contractual purpose.

Within development frameworks, modern contracts are often characterized by their instrumental orientation toward public goals such as infrastructure expansion, energy security, technological innovation, and sustainable growth. Investor–state contracts, public–private partnership agreements, and sector-specific development contracts exemplify this trend, as they integrate private-law obligations with public-law objectives. Analyses of investor–state contractual practice demonstrate that these agreements are negotiated and interpreted within a context of economic planning and regulatory oversight, rather than solely according to market logic (2). As a result, the contractual relationship extends beyond the immediate exchange of performances and encompasses ongoing cooperation, regulatory compliance, and adaptive governance mechanisms. This multifunctional role distinguishes modern development contracts from traditional private agreements and necessitates a re-evaluation of their legal characteristics.

One of the most salient structural features of development-oriented contracts is their long-term nature. Unlike classical contracts, which often contemplate discrete and time-limited exchanges, development contracts are typically concluded for extended durations in order to accommodate large-scale investments and gradual project implementation. Long-term contractual commitment is essential for ensuring financial viability and risk allocation in sectors such as infrastructure, energy, and technology. However, legal analyses highlight that long-term contracts inevitably confront uncertainty arising from economic fluctuations, regulatory change, and technological evolution (6). Consequently, these contracts frequently incorporate adaptive clauses, renegotiation mechanisms, and termination options that challenge traditional notions of contractual certainty while preserving the overall stability of the contractual framework.

Complexity represents another defining characteristic of modern contracts in development programs. These agreements often involve multiple parties, layered obligations, and interdependent performances that extend beyond simple bilateral structures. Legal studies of corporate and large-scale transactions observe that contractual complexity increases as projects integrate financing arrangements, technical standards, risk-sharing mechanisms, and compliance obligations (12). This complexity is further amplified in development contexts where contracts must align with statutory requirements, administrative regulations, and policy guidelines. As a result, modern development contracts operate as composite legal instruments that combine elements of private agreement, regulatory compliance, and institutional coordination.

The public–private dimension of development-oriented contracts constitutes a further structural distinction from traditional private contracts. While classical contract law presumes formal equality between private parties, development contracts often involve states or public authorities exercising regulatory powers alongside private actors pursuing commercial interests. This asymmetry of roles and objectives complicates the application of traditional contract doctrines based on equal bargaining power and mutual autonomy. Comparative studies on contract law in development settings emphasize that public–private contracts occupy a hybrid legal space, where private-law principles coexist with public-law constraints (9). This hybridity requires a nuanced doctrinal approach that recognizes the legitimacy of public intervention without dissolving the contractual foundation of the relationship.

Regulatory embeddedness further differentiates modern development contracts from traditional private agreements. These contracts are rarely self-contained instruments; rather, they operate within dense networks of statutory rules, administrative regulations, and policy directives. Legal analyses of development contracts demonstrate that regulatory frameworks shape not only the content of contractual obligations but also the processes of negotiation, formation, and modification (13). This embeddedness transforms the role of contract law from a closed system of private ordering into an open framework that interacts dynamically with public regulation. As a result, general contract principles must be interpreted in light of regulatory objectives, thereby altering their practical application in development contexts.

The distinctions between traditional private contracts and development-driven contractual models become particularly evident when examining the underlying allocation of risks and responsibilities. In classical contracts, risk allocation is typically determined through negotiation between parties based on market considerations. In development contracts, by contrast, risk allocation is often influenced by public policy priorities, such as ensuring continuity of public services or protecting strategic resources. Legal scholarship on the transformation of contract law in regulated sectors highlights that this shift necessitates a recalibration of doctrines governing consent, autonomy, and fairness (5). Traditional assumptions about voluntary risk-taking may be insufficient to address the complex interplay between private incentives and public obligations inherent in development contracts.

Technological innovation has further contributed to the evolution of modern contractual models within development programs. The integration of digital platforms, automated processes, and smart contracts into development projects has introduced new forms of contractual execution and enforcement. Legal analyses of smart contracts emphasize that these instruments can enhance efficiency and transparency but also raise questions regarding consent, interpretation, and adaptability (3). In development contexts, smart contracts are increasingly employed to automate performance milestones, payment mechanisms, and compliance verification, thereby embedding technical logic into contractual relationships. Despite their technological sophistication, these contracts remain subject to general legal principles governing validity and enforceability (4), illustrating the continued relevance of contract law doctrine in modern development frameworks.

The influence of public policy and planning objectives on contract formation represents a defining feature of modern development contracts. Unlike traditional private contracts, which are primarily shaped by the parties' individual interests, development contracts are designed to advance collective goals articulated through national development plans and sectoral strategies. Legal scholarship underscores that public policy considerations increasingly inform the determination of contractual content, the allocation of risks, and the mechanisms for dispute resolution (17). This policy-driven orientation transforms contract formation into a process of balancing private

autonomy with public interest, thereby reshaping the normative framework within which contractual consent is expressed.

Public planning objectives also affect the procedural aspects of contract formation in development programs. Contracting processes are often subject to formalized negotiation frameworks, competitive procurement procedures, and transparency requirements that constrain traditional notions of contractual freedom. Comparative analyses of development contracts demonstrate that these procedural constraints serve to legitimize contractual outcomes and align them with policy objectives, even as they limit the parties' discretion (18). As a result, contract formation in development contexts reflects a hybrid process combining elements of private negotiation and public administration.

The incorporation of public policy considerations into contract formation further impacts the interpretation of contractual terms and the assessment of contractual validity. Legal disputes arising from development contracts frequently involve questions of whether contractual provisions adequately reflect regulatory requirements and policy goals. Studies on the legal enforceability of contracts in regulated environments emphasize that courts and arbitral tribunals increasingly interpret contractual obligations in light of overarching policy frameworks (10). This interpretive approach reinforces the notion that modern contracts in development programs cannot be understood in isolation from their regulatory and policy context.

The legal characteristics of modern contracts in development programs thus reveal a complex interplay between private-law doctrine and public governance. Long-term duration, structural complexity, public–private hybridity, and regulatory embeddedness collectively distinguish these contracts from traditional private agreements. At the same time, the influence of public policy and planning objectives fundamentally reshapes the process of contract formation, requiring a contextual and adaptive application of general contract principles. Legal scholarship consistently indicates that recognizing these characteristics is essential for developing a coherent doctrinal framework capable of accommodating modern contractual forms without undermining the foundational values of contract law (16). Through this lens, modern development contracts emerge not as departures from contract law, but as evolved manifestations of contractual practice in response to contemporary economic and regulatory realities.

Application of General Contract Principles to Modern Contract Formation

The application of general contract law principles to the formation of modern contracts within development programs requires a nuanced and adaptive interpretive approach that preserves doctrinal coherence while accommodating regulatory complexity and economic transformation. General principles such as consent, autonomy of will, legality, good faith, certainty, and consideration or causa continue to function as the normative foundations of contract formation, yet their operationalization has evolved in response to long-term, public–private, and technologically mediated contractual arrangements. Comparative contract law scholarship underscores that these principles are not static rules but dynamic standards capable of contextual application across diverse contractual settings (!). In development-oriented contracts, their adaptation occurs through doctrinal interpretation, legislative supplementation, and judicial practice, enabling general principles to remain effective without being displaced by sector-specific regulation.

One of the primary mechanisms through which general principles are adapted to modern contracts is contextual interpretation. Rather than applying principles in an abstract or formalistic manner, legal systems increasingly

interpret them in light of the regulatory and policy environment surrounding development contracts. This approach recognizes that contractual formation in development programs often occurs within predefined legal frameworks that shape negotiation processes, permissible terms, and risk allocation. Analyses of model contract law initiatives in special economic and cooperation zones demonstrate that general contract principles are incorporated as default norms that operate alongside mandatory regulatory requirements, thereby ensuring both flexibility and legal certainty (13). Through contextual interpretation, principles such as consent and autonomy are recalibrated to reflect the institutional realities of development contracting.

The doctrinal reinterpretation of consent represents a central aspect of this adaptation. In classical contract law, consent is conceptualized as the product of free and informed agreement between parties acting autonomously. However, development contracts are frequently concluded under conditions of regulatory constraint, standardized procedures, and asymmetrical bargaining power, particularly in investor-state or public-private contexts. Legal scholarship acknowledges that while these conditions limit the scope of negotiation, they do not negate the existence of consent but rather redefine its manifestation (14). Consent in modern development contracts is often expressed through participation in regulated procurement processes or acceptance of standardized contractual frameworks, which legal doctrine increasingly recognizes as valid expressions of contractual will.

Technological developments further complicate the concept of consent in modern contract formation. The use of digital platforms and smart contracts introduces modes of consent based on technical actions, such as code execution or automated acceptance, rather than traditional negotiation. Studies on the transformation of contract law in the digital era emphasize that legal systems continue to rely on general consent doctrines to validate such agreements, even as the form of consent evolves (5). In development programs employing smart contracts for project management or payment automation, consent is embedded in the initial agreement to deploy the technological system, thereby extending the classical notion of consent into technologically mediated environments (4). This doctrinal flexibility illustrates how general principles adapt without losing their legitimizing function.

Autonomy of will undergoes a parallel reinterpretation in regulated development environments. Classical doctrine treats autonomy as the freedom of parties to determine contractual content, subject only to minimal legal constraints. In development contracts, however, autonomy is shaped by mandatory regulations, public policy objectives, and institutional oversight. Legal analyses of corporate and development-oriented transactions indicate that autonomy operates within a framework of constrained choice, where parties select among legally permissible options rather than freely designing contractual terms (12). This constrained autonomy does not eliminate contractual freedom but redefines it as the capacity to act within regulatory boundaries, aligning private decision-making with public objectives.

The role of good faith and fairness becomes particularly significant in complex development contracts characterized by long duration, uncertainty, and relational interdependence. Good faith functions as a corrective principle that mitigates the rigidity of formal rules and addresses opportunistic behavior arising from informational asymmetries or changing circumstances. Civil law scholarship consistently emphasizes that good faith governs not only performance but also the formation stage, imposing duties of transparency, cooperation, and honesty during negotiations (9). In development contracts, where negotiations may involve extensive technical and financial complexity, good faith serves as a normative guide for equitable contract formation.

Comparative studies on contractual opportunism demonstrate that good faith plays a crucial role in preventing the exploitation of regulatory gaps or bargaining power imbalances in complex contractual settings (11). In

development programs, private actors may possess specialized expertise or informational advantages, while public authorities may exercise regulatory leverage. The principle of good faith operates to balance these asymmetries by requiring conduct consistent with legitimate expectations and the cooperative nature of long-term development projects. This function is particularly relevant in contexts where unforeseen economic or regulatory changes necessitate renegotiation or contractual adjustment.

Fairness, closely associated with good faith, further influences the application of general principles in modern contract formation. While classical contract law often prioritizes certainty over substantive fairness, modern legal thought increasingly recognizes the importance of equitable considerations in development-oriented contracts. Analyses of investor–state contractual frameworks indicate that fairness considerations inform doctrines governing hardship, termination, and modification, thereby shaping the formation and evolution of contractual obligations (2). In this context, fairness does not undermine contractual certainty but complements it by ensuring that contractual commitments remain viable and legitimate under changing conditions.

Balancing contractual freedom with public interest considerations constitutes one of the most challenging aspects of applying general contract principles to modern development contracts. Development programs are inherently oriented toward collective goals articulated through national planning and public policy. Consequently, contract formation is subject to public interest constraints that may limit the parties' freedom to negotiate certain terms. Legal scholarship highlights that this balance is achieved through the principle of legality, which integrates public policy considerations into the assessment of contractual validity (9). By operating as a normative filter, legality ensures that private agreements do not conflict with overarching development objectives.

Public interest considerations also influence the interpretation of autonomy and consent in development contracts. Research on public–private contractual models demonstrates that regulatory requirements and policy objectives shape the scope of permissible contractual arrangements, thereby redefining the contours of contractual freedom (17). Rather than viewing these constraints as external limitations, modern contract doctrine increasingly conceptualizes them as integral components of the contractual framework. This integrative approach allows general principles to function coherently within regulated environments, maintaining their normative authority while accommodating public governance needs.

The application of general contract principles to modern contract formation also raises significant legal challenges, particularly when principles are applied either too rigidly or too flexibly. A rigid application of classical doctrines may fail to account for the complexity and dynamism of development contracts, leading to outcomes that undermine project viability or policy objectives. For example, strict adherence to certainty requirements may render adaptive clauses ineffective, while formalistic interpretations of consent may ignore the realities of regulated negotiation processes. Legal analyses of contract termination and modification in development contexts illustrate that excessive rigidity can generate disputes and destabilize long-term contractual relationships (6).

Conversely, overly flexible application of general principles carries its own risks. Excessive reliance on open-ended standards such as good faith or public interest may erode legal certainty and predictability, deterring investment and increasing transaction costs. Comparative scholarship warns that if general principles are applied without clear doctrinal boundaries, they may become instruments of discretionary intervention rather than sources of normative guidance (10). In development programs, where large-scale investments depend on stable legal frameworks, maintaining a balance between flexibility and certainty is essential for sustaining contractual confidence.

Technological contracting further complicates this balance. Smart contracts, characterized by automated execution and limited interpretive flexibility, challenge traditional mechanisms for applying equitable principles such as good faith or hardship. Scholars analyzing the legal nature of smart contracts argue that while automation enhances efficiency, it should not exclude the application of general contract principles that address unforeseen circumstances or inequitable outcomes (7). In development projects utilizing smart contracts, the initial formation stage becomes critical for embedding adaptive mechanisms and legal safeguards that preserve the relevance of general principles throughout the contractual lifecycle (8).

Ultimately, the application of general contract principles to modern contract formation within development programs reflects an ongoing process of doctrinal evolution. Mechanisms such as contextual interpretation, constrained autonomy, enhanced reliance on good faith, and integration of public interest considerations demonstrate how classical principles are adapted rather than abandoned. Legal scholarship consistently indicates that these adaptations are necessary to ensure that contract law remains responsive to contemporary economic and regulatory realities while preserving its foundational values (16). By carefully balancing rigidity and flexibility, legal systems can apply general contract principles in a manner that supports both contractual stability and development objectives, reinforcing the continued relevance of contract law in modern governance frameworks.

Legal Challenges and Doctrinal Tensions

The increasing reliance on modern contracts within development programs has generated significant legal challenges and doctrinal tensions, primarily arising from the interaction between classical contract doctrines and expansive regulatory frameworks. Classical contract law is built upon assumptions of private autonomy, formal equality of parties, and a clear separation between private ordering and public regulation. By contrast, development-oriented contracts are deeply embedded in statutory regimes, administrative oversight, and policy-driven constraints that reshape the conditions of contract formation and performance. Comparative analyses of contract law emphasize that when regulatory frameworks intervene extensively in contractual relations, traditional doctrines such as freedom of contract and *pacta sunt servanda* encounter structural limitations that were not anticipated in classical theory (1). These limitations create friction between the formal logic of contract law and the functional demands of development governance.

One of the most prominent sources of tension lies in the conflict between contractual stability and regulatory change. Classical doctrine presumes that contracts, once validly formed, should remain binding and enforceable according to their terms. However, development programs operate in dynamic economic and political environments where regulatory adjustments are often necessary to respond to changing public needs. Legal analyses of investor-state and development contracts demonstrate that regulatory interventions may alter the economic balance of contracts, raising questions about the continued enforceability of original contractual terms (2). This conflict challenges the classical understanding of contractual sanctity and necessitates doctrinal mechanisms capable of reconciling stability with regulatory adaptability.

Ambiguities in the application of general contract rules become particularly acute when innovative contractual forms are introduced into development contexts. Smart contracts, automated agreements, and hybrid public-private instruments often lack clear doctrinal classification within existing legal frameworks. Scholarly debates on the legal nature of smart contracts reveal persistent uncertainty as to whether these instruments should be treated as traditional contracts, technological tools, or *sui generis* legal constructs (7). This ambiguity complicates the

application of general principles such as consent, good faith, and interpretation, as their traditional doctrinal content may not fully align with the technical and operational characteristics of innovative contracts.

The transformation of contract formation processes further intensifies these ambiguities. In regulated development environments, contracts are frequently concluded through standardized procedures, competitive procurement, or automated platforms that limit individualized negotiation. While legal doctrine generally recognizes these mechanisms as compatible with contractual consent, their increasing prevalence raises questions about the depth and quality of consent required for contractual validity. Studies on the digital transformation of contract law suggest that reliance on formal expressions of consent, such as clicking or code execution, may obscure substantive issues related to information asymmetry and bargaining power (5). These concerns highlight the difficulty of applying general rules developed for negotiated agreements to technologically mediated and procedurally constrained contractual forms.

A further doctrinal tension arises from the competing risks of formalism and excessive flexibility in applying general contract principles. Formalism, characterized by strict adherence to textual interpretation and traditional doctrinal categories, offers predictability and legal certainty but may fail to accommodate the complexity of development contracts. Legal analyses of long-term and relational contracts indicate that rigid application of certainty and autonomy doctrines can undermine the adaptability necessary for effective project implementation (6). In development programs, where unforeseen circumstances are common, excessive formalism may lead to contractual deadlock or premature termination, thereby frustrating policy objectives.

Conversely, excessive flexibility in applying general principles poses its own risks. Broad reliance on open-ended standards such as good faith, fairness, or public interest may grant decision-makers wide discretion, potentially undermining predictability and investor confidence. Comparative scholarship cautions that when general principles are applied without clear doctrinal boundaries, they may become instruments of ad hoc intervention rather than sources of normative guidance (10). In development contexts, where contractual stability is critical for attracting long-term investment, such unpredictability can increase transaction costs and discourage private participation.

Judicial and doctrinal responses to these tensions reflect ongoing efforts to recalibrate the application of general contract principles in light of modern contractual realities. Courts and scholars increasingly adopt contextual and purposive interpretive approaches that consider regulatory objectives and policy considerations alongside classical doctrines. Civil law scholarship emphasizes that general principles such as good faith and legality provide interpretive tools for mediating conflicts between private autonomy and public regulation (9). Through this approach, courts seek to preserve the normative integrity of contract law while acknowledging the legitimate influence of regulatory frameworks.

Doctrinal responses also include the development of specialized interpretive criteria for development-oriented contracts. Legal analyses of public–private and investor–state agreements indicate that courts and arbitral tribunals increasingly recognize the hybrid nature of these contracts, applying general principles with sensitivity to their regulatory and policy context (17). This recognition allows for differentiated application of doctrines such as consent and autonomy, without abandoning their foundational role in contract formation. At the same time, scholars stress the importance of maintaining a clear doctrinal framework to prevent fragmentation and inconsistency in contract law.

Technological innovation has prompted further doctrinal adaptation, particularly in relation to smart contracts. Legal scholarship on automated contracting emphasizes that while code-based execution may limit ex post judicial

intervention, general contract principles remain relevant at the formation stage, where parties determine the scope and limits of automation (8). Doctrinal efforts to integrate smart contracts into existing legal frameworks focus on preserving the applicability of consent, legality, and good faith, thereby mitigating the risk of normative erosion (4). These efforts illustrate how doctrinal evolution seeks to address technological challenges without displacing foundational principles.

The implications of these legal challenges and doctrinal tensions for legal certainty and contractual stability are significant. On the one hand, insufficient adaptation of general principles may render contract law incapable of addressing the realities of development-oriented contracting. On the other hand, excessive doctrinal flexibility may undermine the predictability that underpins contractual trust. Legal scholarship consistently emphasizes that maintaining an appropriate balance between stability and adaptability is essential for sustaining the legitimacy and effectiveness of contract law in modern development programs (16). By carefully navigating these tensions, legal systems can ensure that general contract principles continue to provide a stable yet responsive framework for modern contract formation.

Conclusion

The evolution of contractual relations within national development programs reflects a broader transformation in the role of contract law in contemporary legal systems. Contracts are no longer confined to the regulation of private exchanges between autonomous parties but have become central instruments for implementing public policy, coordinating economic activity, and managing long-term development objectives. This transformation has reshaped the legal characteristics of contracts, expanded their functional scope, and challenged the classical doctrinal foundations upon which contract law has traditionally rested. As a result, the application of general contract law principles to modern contract formation has emerged as a critical issue for both legal theory and practice.

The analysis undertaken in this study demonstrates that general contract principles continue to constitute the normative core of contract formation, even in highly regulated and development-oriented contexts. Principles such as consent, autonomy of will, legality, good faith, certainty, and consideration or causa remain indispensable for establishing the validity and legitimacy of contractual obligations. However, their contemporary relevance depends on their capacity for adaptive interpretation. Rather than functioning as rigid rules, these principles operate as flexible normative standards that can accommodate the structural complexity, long-term orientation, and public-private hybridity of modern development contracts. This adaptability allows contract law to respond to evolving economic and regulatory realities without abandoning its foundational values.

A central finding of this study is that modern contracts used in development programs do not represent a departure from general contract law but rather an evolution of contractual practice within a broader governance framework. Development-oriented contracts integrate private-law mechanisms with public policy objectives, resulting in hybrid legal instruments that require contextualized doctrinal analysis. The formation of such contracts is shaped not only by the parties' intentions but also by regulatory constraints, planning objectives, and institutional procedures. In this environment, classical notions of consent and autonomy must be reinterpreted to reflect constrained choice and regulated negotiation, while still preserving their legitimizing function within the contractual framework.

The role of good faith and fairness emerges as particularly significant in reconciling contractual stability with the dynamic nature of development programs. Long-term and complex contracts inevitably encounter uncertainty,

economic change, and regulatory intervention. Good faith serves as a corrective principle that facilitates cooperation, mitigates opportunistic behavior, and supports the equitable adjustment of contractual relationships over time. When applied at the formation stage, good faith enhances transparency and trust, thereby strengthening the normative foundation of development contracts and contributing to their long-term viability.

At the same time, the study highlights the importance of maintaining a careful balance between contractual freedom and public interest considerations. Development programs pursue collective goals that justify regulatory intervention and policy-driven constraints on private autonomy. However, excessive limitation of contractual freedom risks undermining legal certainty and discouraging private participation in development initiatives. The principle of legality plays a crucial role in mediating this balance by integrating public policy considerations into the assessment of contractual validity, while preserving the contractual nature of development agreements. Through this integrative function, general contract principles enable contract law to operate coherently within regulated environments.

The doctrinal tensions identified in this study underscore the challenges faced by legal systems in adapting classical contract doctrines to modern contractual realities. Conflicts between stability and flexibility, certainty and fairness, and autonomy and regulation are inherent in development-oriented contracting. Rigid adherence to classical formalism may render contract law incapable of addressing the complexity of modern development projects, while excessive reliance on open-ended standards risks eroding predictability and contractual trust. The analysis suggests that neither extreme provides a satisfactory solution. Instead, a contextual and purposive application of general contract principles offers a viable pathway for resolving these tensions and preserving the functional effectiveness of contract law.

From a broader perspective, the findings of this study indicate that the continued relevance of contract law in development programs depends on its ability to evolve without fragmentation. General contract principles provide a unifying framework that can accommodate diverse contractual forms, including technologically mediated and hybrid public–private agreements. By anchoring modern contract formation in these principles, legal systems can ensure coherence, legitimacy, and stability across different sectors and regulatory regimes. This approach not only enhances legal certainty but also supports the effective implementation of development policies by fostering predictable and trustworthy contractual relationships.

In conclusion, the application of general contract law principles to the formation of modern contracts in development programs represents both a doctrinal challenge and an opportunity for legal renewal. Through adaptive interpretation and contextual application, these principles can bridge the gap between classical contract theory and contemporary governance needs. By embracing this adaptive framework, contract law can continue to serve as a foundational legal institution capable of supporting sustainable development, economic cooperation, and legal certainty in an increasingly complex and regulated world.

Acknowledgments

We would like to express our appreciation and gratitude to all those who helped us carrying out this study.

Authors' Contributions

All authors equally contributed to this study.

Declaration of Interest

The authors of this article declared no conflict of interest.

Ethical Considerations

All ethical principles were adhered in conducting and writing this article.

Transparency of Data

In accordance with the principles of transparency and open research, we declare that all data and materials used in this study are available upon request.

Funding

This research was carried out independently with personal funding and without the financial support of any governmental or private institution or organization.

References

1. Farnsworth EA. Comparative Contract LawT2 - The Oxford Handbook of Comparative Law2024.
2. Daadoush GH. The Contractual Practice and Legal Framework Applicable to Investor-States Contracts, Critical Discussion of the Quotes: The Principle of Sanctity of Contracts (pacta sunt servanda) as the Leading Maxim of Contract Law Generally has Priority over Changes in the Surrounding Economic Conditions. 2024.
3. Mashhour OFA. Smart Contract as a Novel Method of Contracting: Many Unanswered Legal Questions. Hasanuddin Law Review. 2025;11(1):1. doi: 10.20956/halrev.v11i1.5061.
4. Eshonkulov J. The Role of Smart Contracts in Civil Law and Issues of Legal Regulation. Uzbek J Law Digi Policy. 2025;3(1):104-11. doi: 10.59022/ujldp.294.
5. Fikrina A, Deswari MP, Sucia Y, Putri A. The Transformation of Contract Law in the Era of Digital Contracts in Indonesia. Melayunesia Law. 2025;9(1):1-15. doi: 10.30652/cwnhf292.
6. Talebian H, Isaei T. Foundations and Nature of Contract Termination for the Convenience of the Employer in International Investment Contracts (A Comparative Study of US and Iranian Law). Legal Research. 2023;22(1).
7. Varbanova G. Legal Nature of Smart Contracts: Contract or Program Code? Journal of Digital Technologies and Law. 2023;1(4):1028-41. doi: 10.21202/jdtl.2023.44.
8. Sundell V. Code Is Law: A Legal Justification of Irreversible Execution of Smart Contracts Through Consideration. 2023. doi: 10.31219/osf.io/z9gma.
9. Katouzian N. Civil Law Series: General Rules of Contracts, Vol. 3: Effects of Contract. Tehran: Ganj Danesh Publications; 2024.
10. Guo L. The Future of Civil Law: Legal Tech, Smart Contracts, and Automated Enforcement. Science of Law Journal. 2023;2(12). doi: 10.23977/law.2023.021207.
11. Khorsandian MA, Sokhanvar M. The recoverability of benefits arising from opportunism in contract: A comparative study in US and Iranian law. Journal of Law and Justice. 2023;13(3):33-63. doi: 10.22099/jls.2021.32388.
12. K. A, M. S. The Role of Contract Laws in Corporate Transactions. International Journal for Multidisciplinary Research. 2024;6(2). doi: 10.36948/ijfmr.2024.v06i02.16050.
13. Long MT. Construction of Model Contract Law for Guangdong-Macao Intensive Cooperation Zone in Hengqin. Journal of Infrastructure Policy and Development. 2024;8(4). doi: 10.24294/jipd.v8i4.3525.
14. Katouzian N. Introductory Course on Civil Law: Legal Acts and Contracts. Tehran: Ganj Danesh; 2023.
15. Yusuf A, Martinez R. Smart Contracts and Legal Enforceability: Decoding the Political Philosophy of Code as Law. Interdisciplinary Studies in Society, Law, and Politics. 2025;4(2):292-302.
16. Vasiu I. Framework for Effective Smart Contracting. Bratislava Law Review. 2023;7(2):107-22. doi: 10.46282/blr.2023.7.2.511.

17. Younesi K. A review of the obligation to produce safely within the framework of Iran's oil contracts. 10th International Conference of Humanities, Law, Social Studies, and Psychology; Petersburg, Russia2025.
18. Katouzian N. Introductory Course on Civil Law: Family Law Civil Law: Specific Contracts (Reciprocal Transactions - Proprietary Contracts). Tehran: Mizan Publications Ganj Danesh Publications; 2023.