

## **The general economic order and its effect on the economic equilibrium of tourism contracts**

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### **Abstract**

The purpose of this research is to clarify the importance of economic equilibrium of tourism contracts and prove the importance and relevance of public order to economic equilibrium. The school of law and economics is one of the most important schools of law among applied law system. The primary purpose of the economic equilibrium of tourism contracts is to provide and guarantee the interests of parties efficiently and this function should lead to socio-economic efficiency for the whole society. For this purpose, a superior power must be able to guarantee the economic equilibrium of the tourism contracts and establish a strong executive guarantee to avoid disrupting contracts. In other words, protecting the economic equilibrium of tourism contracts is the task of an institution called public order and lawyers and economists believe that the task of enforcing public order is one of the duties of the state. The results of this study show that maintaining the economic equilibrium of a ground in order to achieve exchangeable justice in its true sense as well as the main goals of community contracts (contracts in society.) As a result, it guarantees the effectiveness of the contract in the interest of social interest, and also, the economic equilibrium of the tourism contract must be consistent with socio-economic and legal criteria and the lack of economic equilibrium will lead to inefficiency of the contract and one of the obvious effects not doing that will be ineffectiveness of the contract and termination of the contract.

**Keywords: School of Law and Economics, Economic Equilibrium, tourism Contract, Public Order**

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### **Introduction**

What we mean the school of law and economics is a most important school called favoritism, because of its comprehensiveness and access to all areas of law, this school has become one of the most important examples of favoritism in this article, which we will mention in this article, this school, which seeks to bring economies to law as closely as possible, has been the dominant view of many western lawyers.

Today, the law and economics school is regard as the most important thought in the right-wing thought and in the Anglo-American legal system. A school that, rather than prioritizing individual justice and liberty, has turned to the foundation of thinking about wealth and maximizing wealth (Ourant, 2006)

The economic attitude to contracts is one of the fruits of law and economics, and scholars in the field are paying close attention to this issue, one of the important issues that has been the focus of attention of economists on economic analysis since 1970s. In addition to the economic analysis of law of economic equilibrium, tourism contracts have also been extensively analyzed with on impact on the economics and law of contracts.

The economic equilibrium of tourism contracts allows for a balance between the parties to the preservation and equitable distribution or distribution of wealth in society, since economics has been widely incorporated into non-economic trends and readings, especially from the late 20th century. And now many syntheses such as politics economics, democracy economics, women's economics, health economics, sports economics, economics and law are also evolving, and this evolves the economic outlook on contracts and their equilibrium of the economic dimension is at the center of the attention of economists and law scholars. There is no alternative but to use economics techniques to examine the economic equilibrium of tourism contracts, since these techniques while also addressing the issue of rationality in economics as a position to provide efficient resource allocation mechanisms; this is because the emphasis is on the element of equilibrium (Dadgar, 2011)

The legal system will be effective when it uses economic studies and assesses the equilibrium of tourism contracts based on economic data. In other words, the effectiveness and enforcement of contract law has a positive relationship with economic growth. For example, when one

party of the contract using the macro-information rent, the economic equilibrium of the tourism contract is instable, because the other side will be deprived of the benefits of the contract with lack of information. The term rent-seeking is a concept that has an economic root but has a particular meaning in today's term. Generally, any kind of income or interest is considered abnormal without sufficient economic justification. Law and Economics as Independent Branches Despite the independence of law, they are necessary and indispensable to create order, the administration of justice, and balance in social relations. Nowadays this relation is of great importance in addition to economic necessities. (Dadgar, 2011)

Utilizing legal principles and rules is the basis for regulating the equilibrium of tourism contracts and the meaning of the economic equilibrium of tourism contracts, and implying the equilibrium of tourism contracts, paying attention to equilibrium in all areas of production, distribution, services, trade. Contracts, although influenced by legal rules, have not neglected the impact of economic equilibrium on the tourism contract, so that economists recommend considering the legal system and the rules governing it to determine a beneficial economic policy. Their studies illustrate the fact that an efficient legal system can be very effective for economic development and development. Lawyers believe that in order to enforce laws, especially those related to economic activity, it is necessary to pay attention to economic principles, requirements and factors (Qassem2017).

An abstract view of the contract has been rejected and there is no other way than to apply legal rules combined with economic considerations and even historical considerations to maintain the economics equilibrium of tourism contracts. The economic equilibrium of tourism contracts is the equality of rights and obligations of the parties to the contracts. From a financial point of view, and if these obligations are met in economic and legal terms, it can be stated that there will be an equilibrium in the tourism contract. As a matter of fact, the supremacy of will can be examined as a principle in equilibrium of tourism contract, but the supremacy of will should not be abused in any way. (Matière, 1912)

People's contractual relations are based on their freedom to enter contracts, but this freedom is not infinite, because people have no choice but to accept the rules of life in their social life.

The complexity of the contractual relations and the imposition of additional conditions on the weak and unequal in the obligations of the parties the change of financial date, the avoidance of the will over the other in the so-called supplementary contracts of lack of competitive and sometimes monopolized market make equilibrium inadmissible, and the equilibrium of the tourism contract means that each of the parties earns the equivalent property that gives. Therefore, this research is formulated with the practical purpose that both natural and legal persons are aware of equality in their obligations and rights that if obligations in a contract impose obligations on the weak side, those obligations may be considered either at the contract stage and at the stage of contract execution and cause the contract to be terminated or at least invalidated. The economics equilibrium of tourism contracts in the light of public order seeks to find a way to maintain and enforce the contract through appropriate mechanisms, and ultimately, if necessary, unearths failure of execution or modification or termination of the contract and the people of the community get the most out of it and limited the incentive to abuse it.

The practical purposes of the contracts are the execution of the contracts and the effectiveness of the contracts depends on their economic equilibrium being maintained in the tourism contracts, the knowledge of the parties to the contract on the state of economic equilibrium will respect the socio-economic aspects of the tourism contract, and the judges may be informed of the rules of economic equilibrium, tourism contracts whose economic equilibrium is not considered to be adjusted or suspended and to prevent individuals having to execute unbalanced and inefficient contracts.

### **Methodology**

This research is a descriptive and analytical one. Descriptive and analytical research are researches that, in addition to illustrate what it is, the researcher describes and explains the reasons for how and why the problem and its dimensions. The researcher needs a firm rationality. The researcher logically relates the details of his research problem to the relevant general statements and draw conclusions. The remarkable point

is that each of these studies has a scientific value in its place. The characteristics of descriptive research are that the researcher does not interfere with the location, status and role of the variables, and does not manipulate or control them and merely what exists, studies and describes it, also descriptive research may lead to the discovery of laws and the presentation of theory, this means that through such research, general insights are gained. In this study, while analyzing and describing the laws and regulations, practices and customs existing in the Iranian legal system, while recognizing this legal system, we will find out the challenges and problems of this legal system.

### **Equilibrium from the Point of View of Economics, Sociologists and Jurists**

#### **1. Equilibrium from the Point of View of Economics**

In economic relations, there has been talk of equilibrium to meet human needs, and equilibrium pursues the same goal in both economics and law. In fact, economic equilibrium refers to a state where there is a balance between supply and demand, it means the equilibrium a real or imagined, uncertain economic situation of different levels whereby revenue and expenditure equal supply and demand, under these conditions, the balance of the firm and household, the balance of the market and the sector, or the balance of the national and international economy, can be studied (Montazerzohur2002)

Equilibrium as an economic component plays an important role in supply and demand. In economics, the word equilibrium is used to mean physics, and in fact it is a constant state that results in identical and conflicting forces that counterbalance each other, and the result is the emergence of a stable situation.

Economists divide equilibrium into general and partial equilibrium. In the general equilibrium, the method of induction is partial to total and its starting point is markets and economic agents. For example, the price system, commodity production, services and market economy system are interconnected. Leon Wallace formulated the general economic equilibrium for the first time in a given economic period. (posner1993). Alfred Marshall offers partial equilibrium, partial equilibrium is the determination of the price of a commodity independently and the transparency of the market of some commodities, apart from price and demand in other commodity markets.

From Marshal's point of view, equilibrium must be theorized in sectors and all economic components. When there is pressure on supply and demand to raise prices, on the other hand, the pressure to reduce also increases and at the exchange point one can expect that the present situation in the seller-buyer relationship will remain stable (McAfee2006)

On the one hand, they face a graph point that intersects each other, and on the other, neutralize the resistance of market forces that have a tendency to last, and these forces would not have been able to overcome each other without an external factor, the balance between supply and demand has certain criteria, and the balance of the import and export of the country and the amount of production and consumption, some have spoken the financial balance, which is the coherence between government's income and expenses in a year, and express that economic equilibrium is the concept of proportion between supply and demand and provides economic stability (Al-Masoud2005)

## **2. Equilibrium, from sociologists' point of view**

The applicable of equilibrium is not limited to the equilibrium of market, but in social and legal relations equilibrium is of particular importance.

Spontaneous, in the field of social relations one cannot reach the equilibrium in the world of maximal efficiency, government and legislators set rules for achieving a specific social end, which are the ultimate propositions of the word.

But we face grammatical rules in particular social relations between individuals who do not have equal balances, and in particular in the areas of public law (Government) or private economic law (Intellectual property) or social private law (Family entity)

According to free market theory, the free market itself can reach equilibrium within the economic rules of supply and demand. Berger believes that equilibrium does not occur only in the outer and tangible markets, such as the stock exchange and it can be seen in other hidden markets, such as the market for criminal act or marriage market. Some scholars, including Cotter

and Alan regard equilibrium as a concept derived from mathematics and call it an interactive manifestation that tends to last. In international law, the principles of equilibrium governing the condition of the principle of

most favored nation, the principle of areas such as proportionality, equality and equilibrium in payments and receipts in the contractual relationship of the parties, in other words, one of the parties to the must receive the equivalent of what the other party has paid, and if their obligations and rights are disrupted, the economic equilibrium of the tourism contract will be disrupted, and that would be contrary to the equitable justice. However, disruption of contractual relationship, results in disruption of the economic, equilibrium of the tourism contract and the economic imbalance of the contract due to various factors.

In some cases, the economic superiority of one party may result in the imposition of additional or imposed conditions, and sometimes it is because of the lesion that the other party abuses the weakness of the other side or takes advantage of the need, lack of expertise and lack of understanding of the other side so in such cases, the economic equilibrium of tourism contract is impaired.

But the important point is that there must be a balance between the parties' obligations at the both conclusion and execution stage of the contract.

That is, if additional obligations are imposed on the promiser at the execution of the contract and in economic conditions and unpredictable events, the opposite party shall have the right to release from its contractual obligations, based on the theory of unpredictable events, the above theory shall be the solution to the economic equilibrium of the tourism contract.

### **3. Outline Equilibrium of Tourism Contract Content**

The content of a contract is a set of rights and obligations that make it possible to exchange the economic process (Fin, 2002). But the process has a composite element of a contract, in fact a set of rights and obligations that allow for economic exchange, which has received particular attention, but on the other hand, the functions that take place in this process of economic exchange must also be considered. Thus, it can be said that the content of the contract contains several elements that play an essential role.

As we know, the most contracts are exchangeable contracts. and these exchangeable contracts, unlike free contracts that do not require economic equilibrium, impose mutual obligations on the parties and its essence is based on imbalance, an exchange contract is based on

economic equilibrium, in other words. The parties undertake a series of obligations during the exchange contract, and each of those are bound by the obligation to enforce the contract in accordance with these obligations

Terry believes, these types of contracts are characterized by mutual obligations between the parties, the nature and characteristics of such contracts provide the means by which to rationally interpret rules such as termination of contract due to failure to execute a contract or theory of causation, thus, the contract as a general mechanism has connected and related components and elements that identify and diversify the content of its components to its specific complexity, given the importance of small and large contracts, in some cases, the contracts are simple and by mutual exchange of mutual obligations of the contract is executed.

For example, when a passenger gets on a bus or train, the bus or subway undertaking to deliver the bus to the intended destination and the passengers obligation to pay the fare. and by exchange of obligation of the parties (arriving at the destination and paying the fare) the contract is executed.

Or when you go to a newsstand and ask for a newspaper and the contract is executed by paying the newspaper price and hand over it and the mutual obligations of the parties come to end. But in some cases, the contract becomes more complicated, such as bank loans for consumption, commercial and civil lease contracts, real state contracts which depending on the mechanism and economic importance of such contracts, the parties have different conditions for failure, or liability of the parties in different situations, determine whether there is a total or partial execution or breach of contract and most of these terms and conditions will be controversial if the contract is not executed in whole or in partial, and both parties (plaintiff and defendant) are having difficulty in enforcing the contract or not, as well as paying damages or non-damages in various ways (Terre, 1995)

Although the above contracts have a certain complexity, but with the development and expansion of technology that are happening in human societies day by day, we have seen new contracts. Such as professional partnerships in construction, production, services, consumption or international trade contracts such as technology transfer and large



industry sales contracts, all of these contracts have specific terms and conditions that the parties have

Agreed to sign and exchange, enforcement or non-enforcement of them sometimes give rise to different, conflicts of laws, in terms of the law governing the contracts, contract enforcement deadline, standards and requirement (obligations of the manufacturer) in terms of quality of products and productions or payments of goods and services in installments or in cash, arbitration terms and the correction of prices and Hardship condition in case of changing the conditions. It creates non-competitive conditions and other conditions. Therefore, the parties should have complete freedom to reduce or increase their contractual obligations when concluding a contract. (Hardship, 1981)<sup>1</sup>

<sup>1</sup> L'imprévision or equivalent to English Hardship

Hardship may be due to social, economic, and political changes that have a significant impact on the economic equilibrium of the contract, and this disruption will prevent the contract from being implemented for a long time.

So, in general, equilibrium can be defined as follow; the equitable distribution of all elements and equilibrium is the exponential of a compatible configuration for all components of the contract, however given the past contents and the complexity or simplicity of the content of the contract and the criteria needed to determine whether the contract is in equilibrium, this balanced and symmetrical distribution can be accompanied by a difference interpretation

#### **The Nature of the Economic Equilibrium of Tourism Contracts and the Necessity of Contractual Justice.**

The rules and regulations are related to general theory of contracts are constantly changing and evolving the establishment of justice in society as one of the most important concerns and aspirations of mankind in the evolution of society is being pursued, in this sense, justice is regarded as a criterion to measure social rules as right or wrong. On the other hand, legal rules are a criterion to achieve justice. The instrumental approach to contracts and idea of prohibition of interference with contracts or restricting them are nowadays rejected. The function of contracts in order to achieve justice is measured in all aspects, including, legal, social, economic and philosophical, and the important function of contracts cannot be explained by instrumental frameworks to compete

in personal relationships. The role of contracts should be searching in the fair distribution of wealth and legal and economic requirements in this way in a rational approach, historical transitions, and on accurate worldview and the use of human experience in past times can outline the proper contexts of frameworks of economic equilibrium for human beings.

Liberal economic ideas and freedom of contracts, on the other hand, ideas of social school contracts, the contrast between the doctrine of scholars favoring the school of contractual freedom and economic liberalism have provided the ideas of the doctrines of government intervention in market and socialist schools, as well as the emergence of new ideas of legal security in opposition to the ideas of contractual justice, they have led to the flourishing of contract theory. The mission of contracts has evolved by the emergence of theories such as support for the weak and the good will of contracts. Changes in European societies and the industrial revolution as well as the French revolution and the passage of the civil code of 1804 provided a dramatic development in the field of contract law and the legal systems of the world have benefited from its effects, but the important legal rule in law 1804 is the expression of new concepts that is the author intended and is recognized under the name of the principle of contractual freedom or supremacy of will and economic freedom. According to the principle that is widely accepted in most legal systems, individuals can take any possession of their property

Not only in France but in all the world, this principle has made a great change and has been added to one of the rules governing contract which is durability.

However, the principle of contractual freedom has been a very long process until it is stipulated in the law and the ratification of the principle that is influenced by individualistic ideas has penetrated into other aspects and provided new legal frameworks for the approach to the economic equilibrium of tourism contract

Such as examining equilibrium in terms of the nature and criterion common will although the legal text of French civil code ratified, based on equilibrium of tourism contracts, this doesn't prevent repeated judicial interpretations and balanced texts.

According to the development of society and existing evolutions of the spirit of the law and its meaning have been transformed into a paradigm of transformation according to new requirements and new theories of social contracts.

The differences between the obligations and, law on the one hand and the presentation of new models of contracts and the variation in the type of contracts and their nature have changed the attitude towards law of contracts.

The basis of the individual is based on the proponents of freedom of contract based on the individual. Individualists prefer the interests of the individual to the interest of the government and the social group, as opposed to government interference in personal affairs. The developments resulting from the revolution of France in 1789 and the ratification of the civil code of France in 1804, created dramatic changes in the field of contracts and brought about individualistic ideas. In economics, when one speaks the principle of freedom of contracts, it refers to the will of the transactions, which means a transaction that transfers an object or service from person to person, but in legal language, it is a legal relationship, a bilateral legal action a contract whose effect is to create obligations or transfer rights

The origin of the principle of contractual freedom as the authority of individuals

to enter into binding contracts and agreements and to trade within the framework of the defined conditions laid down in civil code of France in 1804 has been acknowledged. This principle has been accepted in moderation in many countries freedom is a human situation that does not belong to any master or having the authority to do or not to do something.

Freedom means having the power of self-determination (auto determination) from the point of view, assuming, the rationality of the parties of the contract, and the parties in their contractual relationships with rational insight decide to acquire more value at the lowest cost.

In other words, the manufacturer offers a desirable quantity of goods or services in demand at a price which is intended to maximize profit, reflecting the costs of producing and the value that the consumer knows, that also shows the ability of consumer payment. This dynamic process, or proportionality of supply and demand establish a price system, and so

it provides market equilibrium, all markets are interconnected, overall equilibrium is naturally established, and this equilibrium is constant. The principle of contractual freedom in all legal system is considered and therefore regarded as the main pillar of the contract.

Proponents of this principle believe that human beings are free in economic and contractual nations, and governments should not interfere in private contracts. From the point of view of this school, the contract is law of the parties of contract, under these idea, gradually the ideas of revolutionaries of France, which were of a capitalist-liberal nature, infiltrated upon French civil code, and the effects of these ideas on the laws of other countries, was seen in countries including Germany, Belgium and western countries and its rules considered stabilized. The rise of freedom of thought and the pervasiveness of this idea have been seen around the world in the nineteenth, but gradually, given the lack of balance in the economic and contractual relations of the proponents of this school, criticized a discussed about influence of social justice in law of contracts regarded in the center of attention of economists, philosopher and lawyers, and the function of law of contracts and its variables is changing and the principles in the social justice theorists have limited the principle of freedom of contracts.

From the point of view of scholars, this theory of the function of law of contracts can be examined in two areas. The social function of the principle of economic and contractual freedom, each of them has a different nature. The root of the principle of freedom of contracts in individualistic, school and the root of the social duty of contracts must be sought in the theory of welfare state.

On the other hand, the social function of contracts guarantees the interest of society and in this view, the superiority of the interests of society is over the individual benefits. Scholars of social justice of contracts believe; because the government is the main controller of economic policy, its lack of oversight makes the unfair distribution of wealth in society, thus requiring economic equilibrium of tourism contracts and the restoration of justice in the society by innerving in private relations and protecting poor people. Therefore, the idea of economic equilibrium of tourism contracts recognized as a legal, objective, as well as simple and general and abstract, therefore the principles governing on it, there must be in all interchangeable

contractual relations. On the other hand, it should not be assumed that the economic equilibrium of tourism contracts is a new issue, but rather than that it evolves through the legal process and the ultimate goal is to achieve exchangeable justice.

**The Attitude of the Welfare Economy (Welfare State and Tendency to Welfare) to the Equilibrium of Tourism Contract**

When talking about the welfare economy, the category of economic welfare comes to mind. The ways in which income, wealth, prosperity, and even performance elements are distributed have ethical and value paradigms. The welfare economy is actually a branch of microeconomics.

This branch of economic itself analyzes the welfare of citizens as a result of the allocation of resources and the implementation of various economic policies. Some authors have considered the scope of welfare economics to be an assessment of the impact of economics on consumer welfare and focused on one of the implications of economic welfare theory, that the market process can coordinate the behavior of consumers and firms to achieve efficient resource allocation

Now the final distribution of wealth depends on the initial allocation of resources, and if the distribution begins with inequality, such distribution will remain unequal in the balance of competition.(Dadgar, 2011), it will be seen that efficiency conflicts with fairness proponents of welfare economics believe that law of contracts should be effective in providing the mechanism to the welfare of the parties and encouraged contractors to enter into contracts that would be beneficial to both parties when concluding the contract. The welfare economy has at least two important structural aspects. Pareto's efficiency and distribution of traditional welfare economics theorists believed that a free and competitive market would be sufficient for people's rational behavior to attain public welfare, and there is no need for government intervention.

However, the focus of the traditional branch of the welfare economy is based on individual preference, but with the evolution and changes of the ideas of the proponents of this school, social welfare has also come to its attention. The concerns of economic efficiency and welfare economics have a significant scientific and practical link in issues such as freedom, capability, equity and justice (carter1999). Romer has analyzed the problem of exploitation in economic theory(Roemer, 1982)

and (Sen.) has proposed deprivation and poverty (Sen. 1982) the development of welfare paradigms in the late nineteenth and early twentieth centuries by some economists and philosophers and changing attitudes toward welfare and emphasized components such as the methodology and philosophy of utility by philosophers such as Bentham on ethical and Legislative principles, and it revolutionized the presentation of the theory of value and the motivation of the welfare school.

Bentham believes that two main elements of humanity are dominated by suffering and happiness, which are the main drivers of human activity and not all individuals enjoy similar activities or goal. Not all human emotions are alike. Bentham's ethical issue has had a profound impact on the psychology of law and economics.

That is, policymakers are committed to choose the rules that bring the most happiness to the most people. Since this formula expresses two maxes, the number of persons and the degree of happiness, regardless of the difference between individuals, Bentham's theory is complicated and irrational, Thus, Bentham's utility approach is at best merely a slogan for political ends. Later economists such as Calder-Hicks and Skytowski proposed stricter welfare paradigms that were free from the theoretical ambiguities of Bentham's approach (1). And later economists such as Caldor and Hicks came up. It is particularly important to use a set of welfare economics and welfare measures and to measure the economic equilibrium of tourism contracts in the light of criteria such as allocation (2), performance based on the Pareto (3) welfare criterion, and the Hicks Calder (4) welfare criterion.

1-Francisco Paris, *The Complex Problem of Group Preference*, Pareto, Bentham & Rawls, Translators: Matin Pedram \* and Tahereh Iranmehr, *The World Economics Journal*, Journal Number 2883, Published 26/12/1391 2- Resource allocation is a mechanism that allocates resources to different uses. 3 - Another criterion, taken from the views of renowned Italian economist Wilfredo Pareto. According to the Pareto criterion, when the total well-being of a society increases, the increase in the utility of one or more individuals does not diminish the utility of another. Therefore, the maximum social welfare is achieved when at least one desires to be reduced if we are to increase the desirability of each individual. This point is also known as Pareto Optimal. 4 - Another

criterion is presented by two economists, John Hicks and Nicholas Calder, known as the Calder-Hicks Criterion. According to this criterion, if we divide those affected by a welfare policy into two groups of winners and losers, if the winners are large enough to be able to make up for their losses in full, they will also have a net income. This will increase the well-being of the whole community.

Simulating Pareto's welfare criterion and extending it to the contract means that if the contractual status of the parties remains the same, although economically one of the parties to the contract will generate a modest profit, the contract will have an economically viable contract and the parties are required to execute such contract.

Therefore, there is no possibility of redistributing the benefits to make the person more prosperous without making the situation worse. Parthian optimality is critical for two main reasons: (a) this criterion is a function of the natural state. In this respect, different results are obtained that depend on the initial allocation. B- This criterion only prescribes a sequential evaluation of preferences. It therefore does not include a mechanism to encourage parties or decision-makers to identify or evaluate essential preferences. Because of these shortcomings, scholars such as Calibration have questioned the applicability of the Pareto criterion to economic law (1). Economics such as Calder (1939) and Hicks (1939) put forward two other measures of social welfare that were used in calculating performances.

Hicks Calder's welfare criterion has an abstract subject and a retrogressive aspect, thus, the criterion is that if the contractual arrangement improves the economic status of one of the parties so as to have unreasonable and out-of-contractual interests for one of the parties and thereby renders the other party's situation worse and unnaturally detrimental to him. How the balance and economic equilibrium of the contract are maintained in such a way that the conclusion and enforcement of the contract are defensible.

1-Francisco Paris, *The Complex Problem of Group Preference*, Pareto, Bentham & Rawls

It seems that the balance of the contract must be established through legal mechanisms, including compensation for the durability of the current contract, or, embed the execution of contracts for the loss of the contract for the economic equilibrium of the contract.

The core of Hicks-Carder's idea is that when "A" is preferred to "B" it is advantageous to move to point "A" to compensate those who have suffered the loss. This test is commonly known as the Hicks-Carder test. (Potential compensation) this test is one of the potential compensation cases, because the damaged is only hypothetical and does not need to be realized in the real world. In other words, the Hicks-Carder criterion compares one group's earnings and another's losses and assumes that the move is efficient if the beneficiaries are more than losers based on the mathematical rule of Ben-Ner and Hicks models of efficiency, it first considers the efficiency of different paths and moves and then selects a path that results in an increase in the disadvantage of the set (Dedgar 2011)

### **The Economic Equilibrium of Tourism Contracts in the Light of Free Will**

Since the eighteenth century, economics scholars have focused on the importance of exchange in trade and its economic impact on people's lives, and they have tried to scrutinize contracts. The dominant view was that contracts, are individual in nature, have an impact on the economic system of society, they therefore emphasized the need for human relations based on freedom, from that time on, the term used as the basis of the economic system and terms like freedom of will, freedom to work, freedom of trade, freedom of contract, freedom of competition were all words that came into the literature of the economic system.

Many Iranian, Egyptian and French lawyers have written valuable works on the principles of freedom of will (Gounot, 1980)(1) but the economic aspect determines the rules governing the supply and demand of the market, and to promote economic activity, all restrictions on freedom must be eliminated and Adam Smith's famous statement (business is more competitive and trade more free) is developed today that, in addition to economic legal clothing, extremists, have justified this by virtue of the legal freedom of unconditional freedom of the parties to the contract. This principle derives from article 1134 of the civil code of France and it has become law and other countries under the legal system subject to law of France, including Egypt have adopted this principle in article 147 of the civil code of 1948, Iran in article 10 of the civil code and even Russia in article 421 of the civil code, Algeria in article 106 of



the civil code and in article 37 of the order of November 1996, which in chapter four of book one was referred to as freedom of trade and industry article 1-1 of the principles of international trade contracts of "Unidora" also applies to this principle as the principle of the sovereignty of the will has become prominent in all legal systems. Some lawyers have progressed lawyers have so exaggerated to justify this principle and they believe that the will is the only source of absolute freedom.

1-For a study of the philosophical, economic, and political foundations of the rule of will, see Dr. Katouzian's *Philosophy of Law*, and for an understanding of the concept of equilibrium of historical contracts and developments, see al-Wasit fi's *Description of Civil Law, Theory of Common Law, Obligations*, Vol. Al-Halabi al-Haqiqiyah, Beirut 2000 pp. 153 onwards and also to the French source

The effects of possessions and its relation to a sort of particular possessions or obligations restrict, eliminate, modify or terminate the enforcement of the obligations (Ramadan, 2007). In economic relations, freedom is important in two respects, from one perspective, freedom has not been a mean of committing to another in contractual relations, and this is based on the principle of relatively of contracts.

Therefore, in economic and contractual relations, the principle of non-guardianship governs the others, and a third party cannot litigate based on a contract between others, unless the person is somehow conceived within the contract (Shahidi, 2003). From the individualistic point of view everyone has absolute freedom and the will of people is the only source of their commitment. Therefore, if they make a commitment they will pursue their wishes and they are equally responsible, and no one can be bound by third-party obligations. In this respect, this is contrary to justice, and on the other hand, people must respect and fulfill their obligations in contractual relationships. The rights and obligations of individuals to each other are due to their own will, in legal action, especially contracts, this will is determinative, and the law is respected for what the two sides of contract have asked for. (Katoozian, 2003), and the only observance of public order and good ethics are the most important constraints to the principle of contractual freedom (Abolhamid Amiri Ghaem Maghami, 2013)

Individualism is a moral idea 1, and it is based on political philosophy individualists who view the legitimacy of the law as the result of individual satisfaction and interference with private matters is only possible with his consent. The connection between moral individualism and contractual freedom was essentially established by the political economy of Adam Smith and the Bentham mass utility philosophy. With the support of contractual freedom, the two authors struggled with the theories based on interference in market trading.

Individualism emphasizes and individual's moral value, in this attitude, the interests of the individual take precedence over those of the state and the group, and advocates of individualism oppose outer interference in personal affairs by society or entities such as government. Proponents of the new natural law school, in political and legal theories, justify the blends of individualism with new definitions. They believe that freedom based on the assumption of rationality means sovereignty, in this sense, they justify the constraints of the will in social life because the constraints imposed by society necessitate that it be observed by the individual.

Proponents of the liberal economy, while sanctifying the will and the law of supply and demand in determining prices, believe that the stability of legal transactions and the accelerated of free will are necessary (Morin, 1945). It is therefore a free and absolute will to express unconditionally within the framework of contractual freedom and regardless to prevailing social conditions emerges (Nasser Rafiq 2014) It is objective fact that the assumption of free of will and its continuation is the only binding element of the contract, and the parties will adhere to it without the involvement of any external element. The founder of the Austrian school, Friedrich Hayek, criticized the existence of such concepts as a mirage while criticizing the existence of social and distributive justice, and when confronted with the challenge, he states, one who imagines the shared aspiration of distributive justice, such as a Norwegian fisherman who pays more to help Coventry mechanic to buy a bicycle or a French farmer who pays more taxes to help Italy's industrial development.

If most people do not see that there are more major problems, it is because they deliberately or unintentionally assume that these issues will be resolved for others and that they are convinced that they are not

capable of doing just and fair work themselves. He believes that the law of existence is independent of the will of man and it is a false notion that we think that the law is made by some people, (Hayek 2015). In the field of private relations, it is the choice of persons who are responsible for their personality property and relationships. The choice that is sometimes violated by rights to violate the principles of personality, the absolute right of property and contractual freedom. Either way, the individual presents his own law, and no higher order can impose on him this is the separation of ethics and law.

#### **Developments in the Concept of Economic Freedom and Acceptance of the Concept of Expediency and Public Order**

In the Duma's view, the fundamental freedoms require agreement; therefore, while all individuals must possess the right to occupy, this right empowers them to enjoy the benefits of agreement through ownership (Haji pour, 2014). Thus the principle of contractual freedom is based on that; first, man is created free, and that freedom gives him the authority to conclude a contract, and secondly, it also gives him the freedom to choose the side of the contract, and thirdly, it gives freedom to determine its contractual terms and location and its content at discretion. In addition, the contract that results from the free will of the contract requires the parties to establish the principle of sovereignty and gives them contractual rights and obligations (Katouzian, 2004). The foundations of contractual freedom are the result of the principle of the sovereignty of the will that recognized as a principle in most countries around the world. Prior to the Revolution of France.

Natural law theorists have introduced philosophical theories of the limits of social economic activities around natural law by referring to the natural right of individuals for economic activity, they believed that the man is created free and restricting man is contrary to the natural right that it must enjoy. The sovereignty of will derives from individual rights and justifies the interpretation of the contract based on voluntary criteria.

The principle of sovereignty in contractual relations, influenced by the ideas of individualism advocates in the nineteenth century, led to the development of individual liberties in contracting without any restriction, and already, the dynamics of economic freedom of individuals in society should be developed (Thiberge, 2014). On the

other hand, social contract theory, which is rooted in the thoughts of the Greek philosopher Plato, was invented in the seventeenth and eighteenth centuries by thinkers such as Thomas Hobbes, John Locke, and John Jacques Rousseau. Although these philosophers were firmly in favor of this theory, their viewpoints differ as to the nature of their views.

Hobbes believes that people should give up their freedoms without reservation, John Locke also conceives a social contract as a contract between the governments on the one hand and individuals on the other and in his view people should not waive all of their natural rights. And just to the extent that the public and collective interests are fulfilled, and of course, the sovereign must also uphold these rights while respecting his natural rights. Otherwise, individuals have the right to terminate the contract or launch a revolution

against the government. But Jean-Jacques Rousseau is one of the foremost pioneers and proponents of social contract theory (Samir, 1993).

According to Jean-Jacques Rousseau, a human being is a social being who does not tolerate isolation and self-esteem and, on the basis of this inherent characteristic, refuses to exercise part of his freedom to participate in society and accept the social obligations and authority of society. This collective authority has enabled the individual to participate in the political process of decision-making and law-making for society.

And this context, which is manifested by the presence of the individual in society, provides for the possibility of social security and confronting all manifestations of violation and savagery in nature by relying on the rule of law in society (Neil, 2009). From a social standpoint, the social contract should have two important effects on society; first, the social contract of political sovereignty is the adoption of legal rules that require the parties to adhere to the rule of law. And second, that the social contract requires one to abide by the rules of law that are denied by the political power and the possibility of derogation from them, thereby imposing a series of public obligations on the individual and, in addition to private relations, a set of rules, it imposes on the people of society.

Law is a social discipline. Only human relations with other human beings and human beings within society are within its domain. Consequently, it entrusts the philosopher with the rights to deal with aspects of the issue of freedom that are incompatible, to its subject. On the other hand, although the field of law is normative, the study of social conditions divides the formation and exercise of freedoms with sociology. But it only looks at the rules that should govern these conditions.

But in addition, freedom creates a series of social problems.

Wider society conditions the exercise of one's power and authority.

In this way, he imposes certain behavior on him.

Or, in a more subtle way, he is surrounded by conditions such as social and economic frameworks, communion with religion and politics, totalitarianism, and in other words, totalitarianism, and it destroys his desire.

But in addition, freedom creates a series of social problems. Wider society conditions the exercise of one's power and authority

In this way, he imposes certain behavior on him. Or, in a more subtle way, he is surrounded by conditions such as social and economic frameworks, communion with religion and politics, totalitarianism, and in other words, totalitarianism, and it destroys his desire. The solidarity between individual and social freedoms is quite clear because man is a social being and is driven to perform his personal actions on the social level. And if individual freedoms cannot be extended, freedom is incomplete. Hobbes argues that in Levi's Ethan, the natural state creates nothing but the unbearable chaos of freedom only at the service of the stronger who trample on the weak, kill one another, so social contract is a necessity. Although Hobbes's theory of social contract leads to utter despotism, John Locke leads it to the restriction of power.

In his famous treatise *Under the Real Expansion and Purpose of Civil Government*, 1669, he believes that the transition to social status is merely a rifle as a result; the human being estimates and quantifies what is to be left to society and what it

As a result, the human being estimates and quantifies what is to be left to society and what it must sustain for itself before concluding a social contract.

And the contract is a covenant that specifies that the rights they preserve for themselves and the rights they give to society are critical of the doctrine.

### **Conclusion**

Nowadays, the field of public order has different subdivisions, but in this research the public order related to the research which is the general economic order is examined. The supporting general economic order and the guiding general economic order provide a superior means of guaranteeing the economic equilibrium of tourism contracts, because the increasing interference and role of governments in various fields and the organization of social economic affairs, this approach has led to the emergence of some of these interventions in some way that would undermine the basic power of citizens in economic interactions and seriously undermine the sovereignty of the parties and the independence of the parties to the contract. The government has overseen or formulated economic legal solutions to private contracts as a policy maker of wealth distribution within the framework of sovereignty, and with the economic leadership of the community has sought to impose the effects of contracts on the parties, and even at times third parties, the government has overseen or formulated economic legal solutions to private contracts as a policy maker of wealth distribution within the framework of sovereignty, and with the economic leadership of the community has sought to impose the effects of contracts on the parties, and even at times third parties, Given the complex economic relationships in today's society and the variety of needs and goals of the parties in the contracts, each of the successors strives to secure their economic benefit in the contract and, of course, this provision is generally in favor of the strong side of the contract, especially when there is no competitive market because it lacks the means to seek solutions to prevent such abuses, thereby providing psychological relief to followers. The economic and psychological well-being of society and, ultimately, public security can be guaranteed. Therefore, there is an effective relationship between public order and economic equilibrium which clarifies the importance of this relationship as one of the main aims of contracts, namely economic equilibrium and on the other hand, this particular importance will allow the terms and conditions of the contract to move and be regulated within this framework, thereby

providing for ways such as judicial or legal adjustment as well as government intervention in the contract. Keep in mind that all of these things are positive about the importance of the chosen topic.

Economic developments, instability of the national currency, instability of economic policies and regulations are issues that undermine adherence to traditional theory and should seek rational justification for the economic equilibrium of tourism contracts in the post-contractual context and relies on the theory of one of the parties to the dilapidated assignment which precludes the possibility of change in the terms of the contract, although the parties to the contract may resort to specific ways in the contract to prevent imbalances or practices and anticipate specific mechanisms in this regard.

But the key point is that where such a mechanism is not envisaged in the contract, especially in long-term continuous contracts, which in turn may "undergo economic transformations and the result of the equations anticipated, this reliance is on the perspective of suitability. Because contracts are currently affected by the global and regional economy, and in the economy of our country, with the imposition of US oil sanctions by the United States and the elimination of exemptions from sanctions, the value of the national currency has undergone a downturn and even the possibility of fulfilling foreign contractual obligations to investors and traders. It has become internal and has left the Iranian economy with some serious problems. Therefore, the significant impacts of economic and social and economic decision-making on the contract play an important role in the fate of the contract, although the justifications and criticisms of this view cannot be refuted, but the assumptions and data of this theory are still accepted in most laws of the world. Articles 183 and 191 of the Iranian Civil Code, as well as Articles 101-2, 102-2, 106-2 and 201-2, have adopted the principles of European treaty law as well as some articles of the International Convention on the Rule of Law. The principle of freedom and responsibility and the necessity of maintaining the stability and stability of contracts and the principle of legal certainty are the requirements of this theory which, by combining the general monetary order and the social interest of the contract, precludes any interference by the judge in the contract. In Islamic jurisprudence, the principle whoever benefits him will also be liable for the loss, justifies the traditional view because

there is no reason for anyone who benefits from the contract not to suffer negative consequences.

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