

THE DOCTRINE OF CONSIDERATION IN PAKISTANI CONTRACT LAW: REFORM OR RETAIN?

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Abstract

The doctrine of consideration, central to the classical model of contract law inherited from English jurisprudence, continues to operate as a foundational requirement for the enforceability of agreements in Pakistan. Despite the country's evolving socio-economic and legal landscape, the doctrine remains largely unreformed, preserved in its traditional form through judicial continuity and legislative inertia. This paper explores whether such doctrinal stability is justified or whether reform is necessary to accommodate the realities of modern contracting practices. It begins by tracing the historical roots of the doctrine, from its medieval English origins to its transplantation into the subcontinent through colonial legal institutions. While the concept of consideration was intended to serve as a marker of contractual seriousness and reciprocity, its continued application has, in many cases, led to rigid formalism, often at the expense of substantive justice.

An examination of Pakistani case law reveals that the courts have largely adhered to a narrow and formalist interpretation of consideration, emphasizing the presence of a bargained-for exchange rather than engaging in substantive inquiry into fairness, intention, or reliance. This judicial approach contrasts with the more flexible trends emerging in other common law jurisdictions, particularly in England, where courts have gradually moved toward recognizing doctrines such as promissory estoppel and aim to create legal relations as partial substitutes or complements to consideration. The Indian experience, while formally retaining the doctrine, shows a more pragmatic adaptation, wherein courts have occasionally prioritized equitable concerns over rigid adherence to form.

The paper presents a comparative framework to evaluate whether Pakistani contract law might benefit from similar developments. It assesses arguments for retaining the doctrine, including its role in preserving legal certainty, deterring frivolous claims, and providing a clear threshold for contractual enforceability. At the same time, it scrutinizes the criticisms leveled against the doctrine, including its outdated origins, its failure to reflect the complexity of modern commercial transactions, and its potential to frustrate legitimate expectations where reliance or intention is otherwise clear. Particularly in contexts involving standard form contracts, employment relationships, and informal agreements, the doctrine may operate more as a barrier to justice than as a guarantor of legal integrity.

Drawing upon both doctrinal analysis and comparative jurisprudence, the paper ultimately argues that Pakistan's continued adherence to an unmodified doctrine of consideration is increasingly difficult to justify. While wholesale abolition may be neither feasible nor desirable, the case for selective reform both judicial and legislative is compelling. Judicially, a more purposive and equitable interpretive stance is urged, one that gives weight to the realities of contracting behavior and the rational expectations of the parties. Legislatively, the incorporation of statutory exceptions or supplementary doctrines such

as reliance-based enforcement or recognition of moral obligations in certain circumstances could modernize the law without undermining its structural coherence.

In conclusion, the paper advocates a calibrated reform strategy aimed at aligning Pakistani contract law with both international developments and the pressing needs of domestic commercial and social life. By reimagining the doctrine of consideration in a manner responsive to contemporary realities, Pakistan can ensure that its contract law remains both principled and just.

Key Words:

Consideration, Common law, Contract, Employment Relationships, Promissory Estoppel

Introduction

The doctrine of consideration, long embedded in the fabric of common law contract theory, remains a defining yet debatable element in modern contract jurisprudence. It serves as the threshold test for distinguishing enforceable promises from non-binding moral compulsions. Traditionally, a contract is not valid unless something of value referred to as “consideration” has been exchanged between the parties. This requirement, though deeply rooted in English common law, has found its way into various legal systems prejudiced by British colonialism, including Pakistan.¹

Despite its venerable status, the doctrine of consideration has come under increasing inspection in both academic and judicial circles. Critics argue that it functions more as a formalistic relic than a meaningful determinant of contractual intent or fairness. In practice, courts often strain to identify nominal or illusory consideration, rendering the doctrine little more than a legal fabrication.² Jurisdictions like the United States and the United Kingdom have responded to these concerns through judicial innovation, introducing equitable doctrines such as promissory estoppel and refining the concept of consideration itself.³ However, Pakistan’s contract jurisprudence has shown greater conservatism, adhering closely to the statutory language of the Contract Act, 1872 and the colonial-era precedents that underpin it.

This paper examines the doctrine of consideration in Pakistani contract law, critically measuring its theoretical underpinnings, judicial application, and practical implications. It explores whether the doctrine continues to serve a useful function or whether it should be reformed or even abandoned in favor of more flexible legal principles that better reflect commercial realities and equitable concerns. Particular emphasis is placed on the interplay between statutory interpretation, judicial reasoning, and the broader objectives of contract enforcement in Pakistan.

I. Historical Origins and Evolution of the Doctrine of Consideration

The doctrine of consideration occupies a central place in the common law tradition, having evolved over centuries to become a formal requirement for the enforceability of promises. Its origins can be traced to the medieval English courts, particularly the development of the action of *assumpsit* in the sixteenth century, which allowed plaintiffs to sue for non-performance of informal agreements, provided they could demonstrate that something of value had been exchanged in return for the promise. This was in contrast to the earlier writ of covenant, which required a formal seal to enforce an agreement. The movement away from sealed contracts to the more flexible action in *assumpsit* reflected the growing commercial sophistication of English society and the need for enforceable informal bargains.⁴

Consideration was not always a requirement in English law. In fact, it appeared gradually as courts began to insist on some form of reciprocal inducement to distinguish enforceable agreements from mere moral obligations. The

¹ A. W. B. Simpson, *A History of the Common Law of Contract: The Rise of the Action of Assumpsit* (Clarendon Press, 1987).

² Neil H. Andrews, “Consideration in English Contract Law,” *Jus : Rivista Di Scienze Giuridiche* : LXIX, 1/2, 2022, 95–128, https://doi.org/10.26350/004084_000139.

³ Charles Calleros, “Cause, Consideration, Promissory Estoppel, and Promises under Deed: What Our Students Should Know about Enforcement of Promises in a Historical and International Context,” *Chicago-Kent Journal of International and Comparative Law* 13 (2013 2012): 83.

⁴ Simpson, *A History of the Common Law of Contract*.

foundational principle became clear in the case of *Pinnel's Case* (1602), where it was held that part payment of a debt could not be satisfaction for the whole unless some additional consideration was present.⁵ Later cases such as *Currie v. Misa* (1875) defined consideration in more precise terms, identifying it as "some right, interest, profit or benefit accruing to one party, or some forbearance, detriment, loss or responsibility given, suffered or undertaken by the other."⁶ This dual requirement of benefit and detriment has remained a cornerstone of consideration in common law systems.

When the British Empire extended its legal infrastructure to its colonies, the doctrine of consideration was carried along with it. In British India, the Contract Act of 1872 codified the doctrine in Section 2(d), which states:

"When at the desire of the promisor, the promisee or any other person has done or abstained from doing, or does or abstains from doing, or promises to do or to abstain from doing, something, such act or abstinence or promise is called a consideration for the promise."⁷

Notably, this statutory definition is broader than its English counterpart. It includes past consideration and does not require that the consideration move from the promisee alone thereby allowing consideration to move from a third party, a concept not accepted under the classical English rule in *Tweddle v. Atkinson* (1861).⁸ This innovation introduced a degree of flexibility into the South Asian commencement of consideration, although Pakistani courts have continued to look toward English precedents for interpretive guidance.

Following the independence of Pakistan in 1947, the Contract Act remained in force with minimal modifications. As a result, the doctrine of consideration continues to serve as the introductory requirement for contractual validity in Pakistani law. However, unlike in England, where judicial exceptions and doctrines like promissory estoppel have significantly mitigated the rigidity of consideration, Pakistan has retained a more conventional approach, largely adhering to the traditional formulations found in the Contract Act.

Despite its longevity, the doctrine has not escaped criticism. Legal scholars have argued that it has become a formalistic hurdle, upheld more in theory than in actual judicial reasoning. Courts frequently strain to find nominal or illusory consideration merely to satisfy the statutory requirement, thereby undermining the doctrine's original purpose of ensuring genuine exchange. Moreover, in commercial practice, parties often draft contracts with mutual promises stated expressly, thus rendering the consideration requirement a mere formality.⁹ In this sense, consideration may have outlived its practical necessity, particularly in transactions where intention and reliance carry more weight than exchange.

In Pakistan, the broader statutory definition does mitigate some of these concerns, yet judicial conservatism has prevented more dynamic doctrinal development. Unlike jurisdictions that have embraced principles like promissory estoppel to enforce serious promises made without consideration, Pakistani courts have shown unwillingness to enforce gratuitous promises, even where injustice would result.¹⁰ This cautious judicial posture reflects both adherence to legal formalism and the enduring influence of colonial-era legal education and training

II. Judicial Application of the Doctrine in Pakistan

While the statutory framework provided by the Contract Act, 1872 gives a relatively broad definition of consideration, judicial interpretation in Pakistan has often adhered to narrow constructions reminiscent of classical English contract law. Courts have treated the presence of consideration as a prerequisite to contractual

⁵ "Pinnel's Case - 1602," accessed June 18, 2025, <https://www.lawteacher.net/cases/pinnels-case.php>.

⁶ Sharique Khan, "Currie v Misa (1875) LR 10 Ex 153," *Lawprof.Co* (blog), August 28, 2022, <https://lawprof.co/contract/consideration-cases/currie-v-misa-1875-lr-10-ex-153/>.

⁷ "Contract_Act_1872.Doc," n.d.

⁸ "Tweddle v Atkinson - 1861," accessed June 18, 2025, <https://www.lawteacher.net/cases/tweddle-v-atkinson.php>.

⁹ "Wildy & Sons Ltd — The World's Legal Bookshop Search Results for Isbn: '9780414037397,'" accessed June 18, 2025, <https://www.wildy.com/isbn/9780414037397/treitel-the-law-of-contract-14th-ed-paperback-sweet-maxwell-ltd>.

¹⁰ Robert A. Prentice, "Law & (and) Gratuitous Promises," *University of Illinois Law Review* 2007 (2007): 881.

validity, yet in doing so, they have not consistently adopted the more progressive tendencies visible in other common law jurisdictions.

A. Formal Adherence to Statutory Text

Pakistani courts have traditionally exhibited a formalist approach in applying the doctrine. The courts in Pakistan are of the view that a government promise to confer employment, made without any consideration, was unenforceable despite significant reliance by the petitioner. The court reaffirmed that under Section 2(d) of the Contract Act, a binding contract requires that something of value must be done “at the desire of the promisor.”¹¹ This formulation excludes purely moral or voluntary acts from serving as consideration, even where injustice may result.

The Court also declined to enforce a promise to transfer immovable property, made orally and without any consideration, despite the promisee’s reliance. The Court stressed that the statutory definition of consideration does not allow for gratuitous promises to be enforceable merely on the basis of moral duty or emotional reliance.¹² Such rulings highlight the Pakistani judiciary’s commitment to the textualist interpretation of the Contract Act and its reluctance to expand the boundaries of enforceable promises.

B. Third-Party Consideration and Its Implications

One notable divergence from English law is the acceptance of third-party consideration under Section 2(d). “*In Pahal Khan v. Muhammad Iqbal, the claimant asserted that the contracting parties entered into a compromise but despite many requests, the defendant did not attest to the mutation. While opposing the claimant, the respondent stated that the alleged compromise was invalid because no monetary consideration was paid to him. The Lahore High Court (LHC) held that consideration does not always imply any financial benefit or anything susceptible to valuation in terms of money. The consideration can be forbearance, abstinence, responsibility, benefit or act or omission for the promise. Consideration for the promise does not need to move from the promisee, it can come from ‘any other person.’ In this way, consideration for the promise can be furnished by any third party if the promisor has no objection*”.¹³

This position introduces a degree of flexibility and aligns Pakistani contract law with other South Asian jurisdictions such as India and Bangladesh. It has practical significance in familial and partnership contexts, where third-party involvement is common. Nonetheless, the courts remain cautious and require clear evidence of the promisor’s intent and the causal relationship between the act and the promise.

C. Treatment of Past Consideration

Another area of judicial interpretation is past consideration. Under English common law, past consideration is typically not recognized unless it encounters the criteria of being requested by the promisor. However, Pakistani courts have adopted a broader approach consistent with the statutory language, which obviously includes past acts done “at the desire of the promisor.”¹⁴

D. Limited Use of Promissory Estoppel

Although Section 115 of the Qanun-e-Shahadat Order, 1984 allows for estoppel in certain contexts¹⁵, Pakistani courts have interpreted it narrowly and have not expanded it into a substitute for consideration in contractual contexts. In *Haji Abdul Razzak v. Pakistan International Airlines*, the Sindh High Court refused to enforce a

¹¹ “Contract_Act_1872.Doc.”

¹² Amr Ibn Munir, “The Jurisprudence of Consideration under the Law of Contract in Pakistan: A Critical Overview,” SSRN Scholarly Paper (Rochester, NY: Social Science Research Network, August 18, 2023), <https://doi.org/10.2139/ssrn.4544606>.

¹³ Farqaleet Khokhar, “Privity of Contract & Rights of Third Party: An Appraisal of Pakistani & English Courts’ Judgments on the Doctrine,” *Policy Perspectives* 21, no. 1 (June 28, 2024), <https://doi.org/10.13169/polipers.21.1.ra7>.

¹⁴ “The Essential of Lawful Consideration,” accessed June 18, 2025, <https://www.lawteacher.net/free-law-essays/contract-law/the-essential-of-lawful-consideration-contract-law-essay.php>.

¹⁵ “Analysis of Certain Provisions Final-New,” n.d.

promise made by a government entity on the grounds that no consideration existed and that the doctrine of estoppel could not override the statutory requirements for contract formation.

This limited recognition of promissory estoppel stands in contrast to jurisdictions like the UK, where the doctrine has been used to enforce promises in the absence of consideration, especially where detrimental reliance is evident.

III. Theoretical and Practical Critiques of the Doctrine

The doctrine of consideration has long been subject to doctrinal, philosophical, and pragmatic critique. While intended to ensure mutuality in contractual exchanges, it has frequently been described as formalistic, inconsistent in application, and incapable of addressing the full spectrum of modern contractual relationships. These criticisms, which have influenced reform debates in other common law jurisdictions, apply with particular force in the Pakistani context, where the doctrine often obstructs substantive justice and fails to reflect the country's evolving socio-economic and commercial realities.

A. Formalism and Legal Fiction

One of the most persistent theoretical criticisms of the doctrine is its excessive formalism. Legal scholars argue that the requirement for consideration often serves as a technical barrier rather than a substantive guarantee of fairness or mutual intent. Courts, in seeking to uphold promises, frequently stretch the doctrine to accept "nominal" or "illusory" consideration for example, a peppercorn or a promise of future goodwill thus reducing the requirement to a mere formality.

This tendency has led some commentators to characterize consideration as a legal fiction. Atiyah famously asserted that "the law of contract is not a logical system built around consideration; rather, consideration is an afterthought imposed upon transactions to bring them within the law's purview."¹⁶ In Pakistan, where contract enforcement is already hampered by judicial delays and limited access to justice, the doctrine's technical rigidity exacerbates inefficiency and unpredictability.

B. Doctrinal Inconsistencies and Overlap with Other Principles

Another theoretical concern is the doctrinal overlap between consideration and related legal concepts such as intention to create legal relations, promissory estoppel, and unjust enrichment. The necessity of proving consideration becomes redundant in many cases where other doctrines already perform the function of validating a promise or allocating responsibility for reliance-induced harm.

For example, in cases of unilateral promises or family arrangements, the presence of mutual intent or reliance is often clearer than any tangible "bargain." The continued insistence on consideration may obstruct enforcement even where all other elements of a valid contract are satisfied.¹⁷ This critique is particularly salient in Pakistan, where family and communal obligations often shape economic exchanges but may not satisfy the traditional requirement of a bargained-for exchange.

C. Incompatibility with Commercial Practice

From a practical standpoint, the doctrine of consideration fails to align with modern commercial practice, especially in the context of long-term relational contracts, franchising agreements, and pre-contractual negotiations. In many of these scenarios, parties regularly revise terms, waive obligations, or rely on representations without any formal exchange of new consideration.

D. Socio-Legal Limitations in Pakistan

The doctrine of consideration, inherited from the British legal tradition, does not adequately reflect the socio-cultural realities of Pakistan. Many contractual arrangements in rural and informal sectors rely on customary norms, religious obligations, or oral understandings rather than written contracts supported by consideration.

¹⁶ P. S. Atiyah, *The Rise and Fall of Freedom of Contract* (Oxford [Oxfordshire] : Clarendon Press ; New York : Oxford University Press, 1985), <http://archive.org/details/risefalloffreedom0000atiy>.

¹⁷ Edwin Peel, *The Law of Contract* (London : Sweet & Maxwell, 2007), <http://archive.org/details/lawofcontract0000peel>.

These transactions, though socially binding, often lack legal enforceability due to the doctrine's rigid requirements.¹⁸

Furthermore, the doctrine disproportionately disadvantages women, low-income earners, and socially vulnerable individuals, who may enter into binding obligations based on trust or kinship but find themselves unable to enforce those agreements in court. The legal invisibility of such transactions exacerbates economic inequality and undermines the protective function of contract law.

E. International Trends and Comparative Jurisprudence

Many jurisdictions influenced by the common law tradition have responded to these critiques by either abolishing the requirement of consideration or substantially limiting its scope. In New Zealand, for instance, “*the Contract and Commercial Law Act 2017*” consolidates contract law principles without emphasizing consideration as a threshold requirement.¹⁹ Similarly, civil law systems such as those in Germany and France have never required consideration, instead focusing on mutual consent and lawful object.²⁰

In the UK, courts have developed the doctrine of **promissory estoppel** originating from “*Central London Property Trust Ltd. v. High Trees House Ltd.*” as a mechanism to enforce promises lacking consideration, provided there is detrimental reliance.²¹ While Pakistani courts acknowledge estoppel under Section 115 of the Qanun-e-Shahadat Order, its application remains limited and does not operate as a substitute for consideration in the way it does in more liberal jurisdictions.

The Indian Supreme Court has also criticized over-reliance on consideration and shown a willingness to enforce promises on equitable grounds, as seen in *Union of India v. Anglo Afghan Agencies*, where a government promise was enforced despite the absence of contractual formalities.²² Pakistan's reluctance to follow a similar path suggests an overly rigid adherence to colonial-era doctrines at the expense of equitable outcomes.

IV. The Case for Reform in Pakistan

While the doctrine of consideration remains a foundational element of Pakistani contract law, its practical relevance and theoretical justification have increasingly come under scrutiny. This section outlines the case for reform by examining doctrinal tensions, the insufficiencies of judicial approaches, and the prospects for both legislative and jurisprudential change. Drawing on comparative examples and local challenges, it argues that a recalibration rather than wholesale elimination of the doctrine is necessary to bring contract law into closer alignment with contemporary Pakistani society.

A. Colonial Legacy and the Need for Contextual Reform

Pakistan's continued reliance on the common law doctrine of consideration is a direct legacy of British colonial jurisprudence. Sections 2(d) and 25 of the Contract Act 1872 mirror 19th-century English legal principles which, even in the UK, have undergone significant softening through doctrines like promissory estoppel and legislative reforms. Yet in Pakistan, the doctrine remains strictly applied, often leading to unjust results, especially in public sector dealings and informal contractual relationships.²³

¹⁸ Osama Siddique, *Pakistan's Experience with Formal Law: An Alien Justice*, 1st ed. (Cambridge University Press, 2013), <https://doi.org/10.1017/CBO9781139814508>.

¹⁹ “Contract and Commercial Law Act 2017 No 5 (as at 30 March 2025), Public Act – New Zealand Legislation,” accessed June 18, 2025, <https://www.legislation.govt.nz/act/public/2017/0005/latest/whole.html>.

²⁰ Reinhard Zimmermann, *The Law of Obligations : Roman Foundations of the Civilian Tradition* (Cape Town : Juta, 1990), <http://archive.org/details/lawofobligations0000zimm>.

²¹ “Central London Property Trust v High Trees House - 1947 | LawTeacher.Net,” accessed June 18, 2025, <https://www.lawteacher.net/cases/london-property-trust-v-high-trees.php>.

²² “Union Of India & Ors vs M/S. Indo-Afghan Agencies Ltd on 22 November, 1967,” accessed June 18, 2025, <https://indiankanoon.org/doc/1882267/>.

²³ Siddique, *Pakistan's Experience with Formal Law*.

This colonial legacy has created a legal system that often fails to reflect local norms, especially in contexts where economic behavior is governed by trust, custom, or religious obligation rather than strict bargaining. In rural and semi-formal sectors of the economy, where much of Pakistan's commerce still occurs, consideration is frequently absent in the technical sense, even though obligations are deeply understood and honored.²⁴ Thus, retaining the doctrine in its current form alienates local practices from formal legal recognition.

B. Limitations of Judicial Interpretation

Pakistani courts have shown little initiative in relaxing the doctrine of consideration through creative jurisprudence. Unlike Indian courts, which have sporadically prioritized equity and public policy over strict contractual formality, Pakistani judges have largely adhered to the rigid structure of the Contract Act 1872, often avoiding broader reliance-based or promissory doctrines that might soften the harshness of the consideration rule. For instance, while *Union of India v. Anglo Afghan Agencies* in India allowed enforcement of a promise under the doctrine of legitimate expectation despite the absence of consideration,²⁵ Pakistani courts have hesitated to embrace such progressive jurisprudence. The absence of a robust doctrine of promissory estoppel that can substitute or mitigate the need for consideration further compounds this rigidity.

Judicial reform, through a purposive and contextual interpretation of the Contract Act, could enable the courts to evolve doctrine without waiting for statutory change. Courts could develop a more expansive reading of Section 25's exceptions, or derive equitable doctrines from Islamic principles of fairness and fulfilling promises recognized moral obligations under Shari'ah and relevant to Pakistani legal culture.²⁶

C. Legislative Reform Options

Legislative reform could take several forms. One option would be to amend the Contract Act 1872 to introduce a broader set of exceptions to the requirement of consideration, particularly in cases involving reliance, promissory estoppel, or public undertakings. Such a move would bring Pakistani law into line with jurisdictions that have gradually reduced the centrality of consideration in enforcing contractual obligations.

Another, more ambitious reform would be the partial codification of contract principles in line with international best practices such as those contained in the UNIDROIT Principles of International Commercial Contracts (UPICC) which emphasize mutual consent, good faith, and reliance rather than consideration alone.²⁷ Adoption of such principles could enhance legal predictability for foreign investors and domestic parties alike, improving Pakistan's contract enforcement rankings under global indices.

Alternatively, inspiration could be drawn from Islamic commercial law (*fiqh al-mu'amalat*), which permits binding promises (*wa'd*) even in the absence of mutual consideration, provided there is clear intent, capacity, and no harm. Codifying such a principle would harmonize secular and Islamic conceptions of contractual justice, a goal consistent with Article 227 of the Constitution of Pakistan, which mandates that all laws be brought into conformity with Islamic injunctions.²⁸

D. Institutional Challenges and Prospects for Change

Despite strong normative arguments for reform, significant institutional challenges remain. Pakistan's legislative inertia, the dominance of a positivist legal culture, and limited academic input into law reform debates impede

²⁴ Sobia Bashir, Abdus Samad Khan, and Kiran Nisar, "The Doctrine of Consideration in the Law of Contract: A Comparative Analysis of Common Law and Civil Law Legal Systems.," *Journal of Peace, Development and Communication* 7, no. 01 (March 16, 2023), <https://www.pdfpk.net/ojs/index.php/jpdc/article/view/487>.

²⁵ "Union Of India & Ors vs M/S. Indo-Afghan Agencies Ltd on 22 November, 1967."

²⁶ "Shari'a," accessed June 18, 2025, <https://www.degruyterbrill.com/document/doi/10.1515/9781400866427-014/pdf?licenseType=restricted>.

²⁷ Eckart J. Brödermann, "Article 1.6 (Interpretation and Supplementation of the Principles)," in *Commercial Law*, ed. Peter Mankowski (Nomos Verlagsgesellschaft mbH & Co. KG, 2018), 490–91, <https://doi.org/10.5771/9783845276564-490>.

²⁸ "Part IX: 'Islamic Provisions,'" accessed June 18, 2025, <https://www.pakistani.org/pakistan/constitution/part9.html>.

the evolution of contract doctrine. The Law and Justice Commission of Pakistan has rarely prioritized contract reform, and existing commentary remains primarily descriptive rather than critical or reform-oriented.

Nonetheless, there is growing potential for change. The increasing integration of Pakistan into regional and global markets through projects such as the China-Pakistan Economic Corridor (CPEC) demands a modern and commercially attuned contract law regime. The current rigidity of consideration doctrine may discourage cross-border investment where foreign partners expect enforceable commitments grounded in commercial practice rather than technical formalities.

Legal education reform and greater engagement between judiciary, academia, and policymakers are also essential to drive doctrinal development. The example of the *Riba* (interest) litigation where years of legal advocacy culminated in judicial and legislative action demonstrates that reform is possible when normative and institutional forces align.²⁹ A similar coalition around contract law reform could yield substantive change.

V. Conclusion: Reforming Consideration in Pakistan – A Doctrinal and Pragmatic Imperative

The doctrine of consideration, though foundational in classical contract law, has become increasingly difficult to justify in light of contemporary legal, economic, and cultural growths. While its theoretical role in distinguishing enforceable from unenforceable promises is understandable, its practical application in Pakistan frequently yields rigid and unjust outcomes. As demonstrated, this rigidity stems not only from the archaic colonial roots of the doctrine but also from the Pakistani judiciary's reluctance to interpret contract law progressively. In contrast, many legal systems have either softened or effectively circumvented the need for consideration through doctrines like promissory estoppel, good faith, or reliance-based implementation.

Pakistan stands at a crossroads. On one hand, the legal system remains attached in 19th-century English jurisprudence; on the other, the realities of a dynamic, informal, and trust-based economy render the doctrine of consideration increasingly incongruent. Reform whether through judicial innovation or legislative amendment is not only desirable but essential to ensure that Pakistani contract law keeps pace with both domestic socio-economic needs and international commercial standards.

The case for reform does not necessitate the wholesale abolition of the doctrine but calls for its recalibration. Judicial interpretation should prioritize equitable outcomes and recognize the enforceability of reliance-based obligations, particularly where one party suffers detriment due to another's promise. Legislative efforts could expand the exceptions under Section 25 of the Contract Act 1872 or incorporate alternative standards based on reliance and good faith. Additionally, harmonization with Islamic legal principles, such as the enforceability of unilateral promises (*wa'd*), could offer a culturally grounded and doctrinally coherent alternative to the strict consideration rule.

Most importantly, Pakistan must recognize that legal doctrines do not exist in a vacuum. They must respond to the lived realities of those subject to them. In an era where the integrity of promises, commercial reliability, and equitable outcomes are paramount, the continued dominance of an outdated and formalistic doctrine like consideration does a disservice to justice. Reforming this doctrine through law, practice, and education is a necessary step toward a more coherent, modern, and locally responsive contract law regime.

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²⁹ “Riba,” n.d.

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