

The principle of *pacta sunt servanda*, which means that contracts and clauses are laws with binding force between parties, requires that every contracting party must keep his promise and fulfill his obligation. However, commercial practice demonstrates that there exists event or change, which may result in performance being impossible or pointless or substantial breach of the economic balance between parties. In such situations, the rigid application of the principle of *pacta sunt servanda* will lead to the opposite of justice and generate unfairness. Therefore, it could be found the contradiction between two principles in contract law, namely the principle of *pacta sunt servanda* on the one hand and the principle of *clausula rebus sic stantibus* on the other hand. Contract laws in every legal system have been adjusting the contradiction between these two principles in order to get the best balance. This thesis is aimed to make a general introduction to the rules on economic hardship in different legal jurisdictions, including the doctrine of frustration, the rules on *force majeure* and the rules on hardship. Then following the comparison, the trend of evolution of such rules is summarized.

After the introduction in the first part, the second part is concerning both the legal theories and practices in different legal jurisdictions, such as UK, US, France Germany and Macau. The study also refers to two important international instruments: United Nations Convention on Contracts for the International Sale of Goods (the CISG) and the Unidroit Principles of International Commercial Contracts (the PICC). In the third part, a brief analysis is made on the new judicial interpretations in the Chinese Contract Law. Following the studies on the related articles and legal practices, some suggestions about the Chinese law are given in the forth part. The conclusion is stated in the last part.