International Journal of Innovation and Applied Studies
ISSN 2028-9324 Vol. 45 No. 3 May. 2025, pp. 458-465

http://www.ijias.issr-journals.org/

International Arbitration: Impact on Global Economy

Bushrat Jahan

Doctoral School of Law, University of Pecs, 48-as-ter 1, 7622, Pecs, Hungary

ABSTRACT: The significant increase in the development of world economy over the last few decades have been experienced a considerable increase in the number of commercial disputes. When there is any business and dealings with contracts the question of dispute must be happened. But all of the parties actually want to run their business well and smoothly. In recent world a massive part of global economy depends on the trans-border business. But disputes in such business dealings sometimes can be the reasons to become risk the inter-relation of those parties. Which can affect the global economy as a whole. Comparing to the disputes inside domestic entities the trans-border or international business disputes can arise as bigger problem because of different jurisdictions, diverse legal systems and tradition. International Court of Justice (ICJ) already has the jurisdiction to try all the international civil suits but Alternative Dispute Resolution (ADR) mechanism also considered as a viable alternative to resolve the dispute over the court. The international arbitration arises as a way of alternative dispute resolution mechanism which upraise benefits both of the parties and maintain the confidentiality. In this paper details of international arbitration and the broader impact of this mechanism in the global business economy will be focused. The legal status and the implementation process of international arbitration also be the discussing point of this paper.

KEYWORDS: international arbitration, business economy, globalization, enforcement of awards.

1 INTRODUCTION

Increased globalization of business and expansion of international trade have created the vital way by which international business disputes are resolved. In the last few decades, so many bilateral and multi-lateral trade agreements have been formed and various international conferences took place for searching issues commenced by world commerce and disputes arising from trade among different nations and their respective citizens. Prior to this cross-border business disputes were resolved in the national courts of one party's home country. But this dispute resolving mechanism often gone to disfavor to the other party because of the judge's partiality toward the domestic party was evident and the foreign party lacked a neutral forum. Moreover, resolving cross-border disputes within one party's national courts sometimes involved the inability to enforce these courts' awards abroad. Thus, so may dilemma created to the business parties and became hard situation to continue it further. After facing many problems, the necessity felt to create a dispute settlement mechanism capable of responding to the needs and requirements of international transactions. For specifying the actual need for a proper dispute settlement mechanism for international business so many attempts have been made to develop a new discourse for global transactions with purpose to minimize the disputes emerging among the professional market players[1] and giving benefit both the parties keeping a friendly relationship for further activities.

At the rising moment of globalization such kind of business disputes become risk and the market analysists tried to create alternative dispute resolution (ADR) which is capable and efficient enough to respond to the actual needs within the global

[1] M Osama Jannadia and others, 'Contractual methods for dispute avoidance and resolution (DAR)' (2000) 18 International Journal of Project Management p. 41.

market. Negotiation, mediation, conciliation and international commercial arbitration are the most prominent examples of these alternative dispute settlement mechanisms. However, given the considerable advantages of international arbitration, including cost; speed of resolution; confidentiality or privacy; flexibility; perceived fairness; effectiveness; and the impact on continuing business relations, market practitioners have shown a preference for using it as the main facility to resolve their disputes.[2]

The inherently problematic nature of resolving international business disputes domestically with lengthy process led to a search for a better approach. Within the last decades, multi-national businesses began to realize that the global transformation of trade and economics necessitated a parallel transformation in the global business dispute resolution systems. Then the traditional international litigation has become way to international arbitration as the preferred and fastest-growing method of cross-border dispute resolution.

2 HISTORICAL BACKGROUND OF INTERNATIONAL ARBITRATION

Globalization has started to increase cross-border business dealings by which lessening the significance of political borders. The internet and other technologies have contributed considerably in facilitating trade and business across the globe. Countries, corporations and commercial entities are trying to meet their needs in the international market by offering competitive prices and quality. This attempts to enhance the free movement of goods and money through World Trade Organization agreements, has substantially increased the volume of trade and business between nations and countries with different commercial approaches. This significant development global market economy has created an integrated network of commercial relationships. Although this progress in globalization and the extension of commerce and business across borders has succeeded in enhancing the efficiency of global trade. With the enhancing of global trade, the risk of international disputes also enhanced. Such disputes are normally become the possibility of breakdown in existing business relations or a clash of commercial interests between the involved parties. The continuing development in international trade and business has created the dispute settlement mechanism itself. Because dispute resolution adapts the demands of the merchant community by providing more innovative mechanisms which are able to settle complex disputes more effectively and within an appropriate time.[3]

The dispute settlement mechanism between states and states like entities were settled through international arbitration before the first International court or tribunals were created by states. In the middle ages, arbitration was largely used. In those arbitration, the dispute was often settled by a single arbitrator called an Empire. Regularly the single authority was the pope or a ruler or Emperor from another state. The decision was regularly based on principles of equity than law, was not reasoned and the arbitrators were not fully Independent & Impartial. With the 1648 peace treaties of Westphalia is usually considered as the starting point of modern international arbitration. The bargain was marked between Great Britain and the United States, predominantly to settle extraordinary issues following the American war of freedom. The instrument built up under that arrangement to settle these issues in a few regards.

The peace treaty established three types of commissions- first was established to settle the dispute between the two states in relation mainly to boundaries, the second and third were built up to hear two sorts of blended issues of disputes. The treaty created the way not only for a modern form of arbitration to settle disputes between two parties or states, but also for disputes between nationals of one state and another state.[4] It also sets precedents since the decision of the commissions were based on law and contained reasons. At the same time, the treaty was composed exclusively of nationals of both the parties.

The Alabama claims assertion is another eminent model in the creation of international arbitration. The dispute related to damages suffered by US government, due to attack on union ships by confederate Navy ships which had been built in British shipyards during the American Civil War. In 1871, the US and the UK signed the Washington treaty. In which they decided to resolve this and some other claims settled through an International arbitration in Geneva. The arbitration ruled in favor of the US and set up an important precedent to successfully settle interstate claims through arbitration. Moreover, the tribunals for

[2] Deborah R Hensler, 'Our courts, ourselves: How the alternative dispute resolution movement is re-shaping our legal system' (2003) 108 Penn St L Rev 165

[3] Nigel Blackaby and others, Redfern and Hunter on International Arbitration (Oxford University Press 2009) 1-83.

[4] Princewaterhouse coopers, international Arbitration: Corporate Attitudes and practices 2008.

the first time were composed of a majority of arbitrators which were not nationals of one of the state's party to the disputes but also from both and this practice continues till date. Thus, the independence of the tribunal was established.

In 1899 through The Hague convention the very first permanent court of arbitration was created. In the end of 19th and the staring of the 20th centuries more than 120 mixed claims commissions concurrently developed. Like the model of the peace treaty, this commissions heard several types of claims like interstate claims i.e. claims from nationals of one state against another state. They were very often created following an armed conflict between two states or internal disturbances in one state during which nationals of other states had suffered injuries. It's important to note that the claims of individuals very often had to be brought by the state of their nationality. Because the individuals often had no direct access to the commission or tribunal of arbitration.

Since the creation of the first Permanent Court of Justice in 1921, and its successor the International Court of Justice in 1945, arbitration still be popular to settle interstate disputes. Arbitration of Interstate disputes still took place outside the context of the permanent court of arbitration. Since the finish of the Cold war, mediation has been progressively mainstream among states, as is outlined by the developing number of cases settled under the Permanent court of intervention. Moreover, this is evidenced by the large intestate arbitration practice in subject matters such as diplomatic protection, environmental disputes, territorial disputes, or disputes under the law of the sea convention.

The most recent many years of the twentieth century likewise observed an equal increment in purported blended mediation. First, companies which had obtained large concessions in the extraction of natural resources in developing states, had secured the use of arbitration to settle disputes arising under the state contracts. This in turn resulted in creation of the International Center for the Settlement of Investment Disputes in the 1960s which create the way for an impressive rise in the number of arbitrations between foreign investors and states starting at the beginning of 21st century. Thirdly, other mechanisms are also evidence of this, such as Iran United States claims tribunal created in 1981 to settle disputes between Iran and United States, and nationals of both against either state following Iran hostage Crisis.

3 TYPES OF INTERNATIONAL ARBITRATION

Two major types of processes have been followed in the international arbitration mechanism, such as International Commercial Arbitration and International Investment Arbitration.

3.1 INTERNATIONAL COMMERCIAL ARBITRATION

There is no specific definition of "International Commercial Arbitration". But this kind of arbitration process always follows the specific constituent elements. It is a dispute settlement procedure that, like litigation in the state courts, leads to a final and binding result that will be given execution by the courts. The main purpose of international commercial arbitration is that it is consensual and treats only those matters which were referred to arbitration by the parties. The New York Convention permits a state to declare that it will apply the convention only regarding matters that it considers commercial under its own law. The Model Law goes a long way to overcoming the matter by the long and non-inclusive list of activities that are to be considered as commercial. It is important to determine the matters that the arbitral tribunal can consider. Similarly, some states permit the state or state-like entities to submit to arbitration only if the arbitration is international. Whether an arbitration is international commercial arbitration or not is to be determined by whether an arbitration would be governed by the Model Law or a different law for domestic arbitrations.

3.2 INVESTMENT ARBITRATION

Investment arbitration has a history of its own that interconnected with that of general international commercial arbitration. Disputes in regarding foreign investment raise particularly sensitive issues. When the foreign investor invests a significant amount of money for a long period of time in a country in which it may not have gain the confidence in the system of government, including the courts, or in its political stability then the idea of investment arbitration arises. It is certain that the investor may wish guarantees of one way or another which would not consider necessary in its home country. On the other hand, the investment may have important consequences for the host country of an economic, social or even political nature. The investment will often be in the form of a company organized under the laws of the host country. the host country may wish the foreign investment to be treated differently than a domestic investment. The World Bank introduced an alternative in when Convention on the Settlement of Investment Disputes between States and Nationals 1965 was adopted. From then the investment disputes could be submitted to arbitration under the International Centre for Settlement of Investment

Disputes (ICSID). The jurisdictional requirements of ICSID were very strict as like both State parties could initiate an arbitration and the consent to such arbitration.

4 BENEFITS OF INTERNATIONAL ARBITRATION

As explained before there are several reasons for choosing arbitration instead of litigation are because of these factors such as neutrality, expertise, confidentiality, procedural flexibility, ability to choose the language and place of arbitration, maintaining the relation between parties, the finality of the award and enforceability.

4.1 NEUTRALITY

In addition to selection of neutrals of appropriate nationality, parties are able to choose such important elements as the applicable law, language and venue of the arbitration. This allows them to ensure that no party enjoys a home court advantage.16 The courts in any country have their own formalities, their own rules, their own procedures while the courts in one party's jurisdiction are inevitably "foreign" to any party that is not from that jurisdiction. Giving jurisdiction to the courts of a neutral country does not improve the situation. And the courts will be "foreign" to both parties. For most contracts involving parties from various countries, businesses may feel disadvantaged if their disputes are trialed before a court of others domestic one and in the other party's native language and in accordance with the procedural rules of their counterpart country. In arbitration a dispute is normally dealt with in a neutral forum rather than in the courts of one party's own country, each party participates in the selection of the tribunal, which may consist of a sole arbitrator or of three arbitrators.[5] Each party ordinarily selects one arbitrator. Those two arbitrators (or an outside institution) agree on the selection of the third arbitrator.

4.2 EXPERTISE OF THE ARBITRATORS

The arbitrators can be selected for their specific expertise. This is important in disputes involving highly technical matters for which specific technical knowledge, qualifications and experience are required. In complex cases the arbitrator may be joined by an expert so that parties can rely that their case is handled properly.[6] Arbitrators have expertise and competence in the field of business which became the subject matter in the case. In Article 12 paragraph (1) sub-paragraph e of the Indonesian Arbitration Act is determined one of the conditions to be appointed as an arbitrator, having experience and active power in his field for at least 15 years.[7]

4.3 CONFIDENTIALITY

Its confidential nature makes arbitration seen as an alternative solution in accordance with the needs of the business world. This is because arbitration is held in private. Unlike open dispute resolution methods in public courts, arbitration is attended only by interested parties or the parties to the dispute. The privacy and confidentiality of arbitral proceedings is very attractive to companies and institutions involved in international transactions that do not wish the disputes and the details of the transactions to become public. No one else can be present, no reporter can be allowed to blow up the news. The correspondence is also all secret.[8] Arbitration proceedings are carried out in non-accessible area to the public, to ensure the confidentiality of the arbitration process as in Article 27 of Law No. 30 of 1999 on Arbitration and Alternative Dispute Resolution Law 1999. Generally, the Arbitration Law guarantees the confidentiality of the dispute.[9] However, the Arbitration Law does not expressly state that the final arbitration award is confidential. All matters related to the arbitration are to be kept in strict confidence among the parties and the arbitrators except as otherwise agreed by all parties to the dispute. These matters include: documents; reports or notes of sessions; the testimony of witnesses; and awards.

[5] Houthoff Buruma, International Commercial Arbitration: An Introduction, 2013, pg. 9-10.
[6] "Arbitration Pro's and Con's", https://lisagelman.com/mediation/arbitration-pros-and-cons/
[7] Indonesian Arbitration and Alternative Dispute Resolution Law, Article 12(1)
[8] "Making Ngetrend ini 5 Kelebihan Penyelesaian Sengketa Melalui Arbitrase", http://www.hukumonline.com/berita/baca/lt58a6bf5208d32/makin-ngetrend--ini-5-kelebihan
[9] Indonesian Law No. 30 of 1999 on Arbitration and Alternative Dispute Resolution Law, Article 27.

4.4 FLEXIBILITY

Arbitration procedure as set forth in Chapter IV Law no. 30 of 1999 on Arbitration and Alternative Dispute Resolution Act 1999 that its application can be more flexible by taking into account the agreement of the parties.[10] Where possible the designated arbitrator reconciles the interests of the parties to the dispute. The procedure is not too formalistic, although keeping in mind the important guidelines that have been determined and agreed upon. Another advantage to arbitration lies in the fact that the issues will not be addressed in a formal courtroom or under the watchful eye of an intimidating judge. The parties can file pleadings if they prefer a more informal approach and the arbitration can take place with all parties seated at the same table, in an informal setting, it can be done in any country, any place, it can be done informally. This flexibility is very attractive for many parties, especially those who are opposed to the formalities of the courtroom.[11]

4.5 FREEDOM OF CHOICE IN THE PROCEDURE, LANGUAGE AND PLACE

The parties can decide to conduct the arbitration in the language of their choice. This language will be used not only in the oral hearings, but also in the briefs and supporting documents that must be submitted. Parties instruct that every document submitted to them must be accompanied with a translation using a language determined by the arbitrators.[12] The parties have the flexibility to adapt the procedure to suit the situation. They are not bound by national or local rules of civil procedure and the often slow and expensive litigation that results. Rather than having to submit to the jurisdiction of a court in the country of the other party, the parties have the freedom to agree to a neutral or more convenient place for the conduct of the arbitration.[13]

4.6 FINALITY OF THE AWARD

The Arbitral award is final and has permanent legal power and binds the parties. A party can request revocation of an arbitral award by petition.[14] After the award is issued, if a party finds that the letters or documents submitted in the proceedings are false, or they are declared to be false or it is discovered that the other party concealed decisive documents or if the award is a result of fraud by one of the parties. The petition must be filed in writing within 30 days of the date of delivery and registration of the arbitration award. An arbitrator may be challenged only if circumstances exist that are likely to give rise to justifiable doubts as to the arbitrator's impartiality or independence or if the arbitrator does not possess qualifications agreed on by the parties. The parties are free to agree on a procedure for challenging an arbitrator, the party challenging an arbitrator shall send a written statement of the grounds for challenge to the arbitral tribunal within 15 days stating about the grounds for challenge. Unless the challenged arbitrator withdraws, or the other party agrees to the challenge, the arbitral tribunal shall decide on the challenge. If the arbitral tribunal rejects the challenge, the challenging party may, within 30 days of being notified of the decision, request that the court decide on the challenge. The court's decision is final and not subject to appeal.[15]

4.7 MAINTAINING THE RELATION BETWEEN PARTIES

Though in arbitration there is not always a win-win solution, at least in the case of a company that has a dispute with a government-owned company, a verdict can be made that provides legal certainty when dispute arises because of different interpretations. The business relationship between the client and the counterpart remains well established and the contract of cooperation continues. Once there is a verdict, the existing contracts between the parties continue, as the intent is not to terminate the existing contract.

[10] Chapter IV; Arbitration and Alternative Dispute Resolution Act 1999; Law no. 30 of 1999.
[11] Lisa Gelman, "Arbitration Pro's and Con's", https://lisagelman.com/mediation/arbitration-pros-andcons/
[12] Article 35; Arbitration and Alternative Dispute Resolution, Law No. 30 of 1999
[13] EXPONENTIAL BIOTHERAPIES *v.* Houthoff Buruma NV, 638 F. Supp. 2d 1 (D.D.C. 2009), District Court, District of Columbia
[14] Article 70; Arbitration and Alternative Dispute Resolution; Law No. 30 of 1999
[15] Arbitration Act 1996, Article 13-14

4.8 TIME AND COSTS

Arbitration proceedings are relatively short, compared to final and binding court judgments. The Arbitration Law provides that the examination of a case must not take longer than 180 days starting from when the arbitration tribunal is formed as of the appointment of the arbitrator or formation of the arbitrary panel while a court process could take multiple years. Even the initial arbitrator costs and filing fees are less than Court fees, due to the rapid arbitration process legal service fees can be held under control. Moreover, the arbitrator can decide in its decision to allocate all or part of the costs to the losing party. Arbitration process is more time and cost effective comparing to civil proceedings which require a large amount of time and will give rise to significant legal expenses.

5 IMPACT OF INTERNATIONAL ARBITRATION ON GLOBAL ECONOMY

In growing of international trade, the advancement has begun through a proliferation of cross-border transactions, resulting in an international business community. Companies worldwide have expanded to locate their manufacturing and distribution centers as well as their advertising beyond their home country's borders. In the United States, significant "brand name" businesses generate greater revenue from international transactions than from their domestic transactions.[16] This increased communication and technological advances have created the institutional support for cross-border transactions by which they have created a substantial global business community that handles international. The rapid expansion of cross-border commercial transactions has resulted in a possibility of increasing cross-border disputes. The need for sensitive decision makers possessing a familiarity with international commerce to resolve such disputes have been felt with such expansion of global economy.

At the same time, international businesses have grown with more arena of seeking redress in national courts for good reason. The characteristics of the national courts sometimes are attractive to its own citizens but often make those courts undesirable to counter-parties. National courts often apply procedural rules intended to fit a particular judicial framework which may be unfamiliar or ill-treated for the parties from different legal traditions. A national court's formalities, customs, or language understandably can be viewed as significant disadvantages to the uninformed trans-border party.

Another concern arises where the counter-party or outsider perceives that it is treated unfairly by the national courts then they could be discouraged by further dealings. There is another problem is the enforcing awards outside the rendering country. Sometimes foreign countries either refuse to recognize and enforce a judgment obtained in the national courts of another country or find excuses to avoid doing so by leaving the plaintiff with a moral victory but not a financial one.[17]

Yet another difficulty is presented by the very nature of the litigation process. Parties often experience the extreme inefficiency of national court systems where cases can linger for years while the parties await a decision and the annoyance of delay is cost a vast amount of money to conduct protracted international litigation. A combination of these above mentioned unfamiliar rules like different legal customs, languages and traditions, biasness, challenges to enforcement and the inefficiency of national courts created a growing need for global adjudication. This has necessitated an initiative to a new dispute resolution paradigm named international arbitration far away from traditional litigation. Which portends a more neutral, efficient and certain process, one which favors neither party but affords each the occasion to fully and equitably present its case, and results in an award recognized around the globe.

6 ARBITRAL AWARDS AND ITS ENFORCEMENT

The recognition and enforcement of arbitral awards is of fundamental importance in the arbitral process. Proper recognition and enforcement of arbitral awards serves both as a means of ensuring the effectiveness of the arbitral process and also as a key factor favoring the use of arbitration in preference to other modes of dispute resolution.[18]

[16] Growing Revenue from Emerging Markets, INT'L HERALD TRIB., July 24, 2007, available at http://www.iht.com/articles/ap/2007/07/24/business/AS-FIN-COM-General-Electric-Emerging-Markets.php

[17] UN Commission International Trade, ENFORCING ARBITRATION AWARDS UNDER THE NEW YORK CONVENTION: EXPERIENCE AND PROSPECTS, U.N. Sales No. E.99.V.2 (1999), available at http://www.uncitral.org/pdf/

[18] Lord Mustill, "The History of International Commercial Arbitration" in The Leading Arbitrators' Guide to International Arbitration; Lawrence Newman & Richard Hill ed.; New York: Juris Publishing, 2004; p 12

Parties choose arbitration as a dispute resolution process with the expectation that, absent a settlement, an award will be rendered at the end of the arbitral process. The final step of the arbitral process is the award which is equal important to the parties and the successful party expects the award to be performed without undue delay. There is no usefulness of these arbitration friendly laws, well drafted arbitration rules and competent arbitrators and counsel if there is no effective enforcement of arbitral award mechanism is available whether or not it is actually used.[19]

Unless parties can be able to enforce the award at the end of the arbitral proceedings the award in their favor will be only a symbolic victory[20] and would render the arbitral process largely meaningless. The enforceability of the arbitral award compared to foreign court judgments is also a principal advantage of arbitration over litigation. This advantage of arbitration arises because the network of international and regional treaties providing for the recognition and enforcement of international awards is more widespread and developed than corresponding provisions for the recognition and enforcement of foreign judgments.[21] The United Nations Convention on the Recognition and Enforcement of Foreign Arbitral Awards 1958 known as the New York Convention adopted by more than 130 countries has been described as the single most important pillar the of international arbitration.[22]

An important element of a sound legal framework for the effective enforcement of international arbitral awards is facilitative legislation which provides minimum conditions for enforcement. Article IV of the New York Convention mentioned that this is set up to facilitate the request for enforcement by requiring a minimum of conditions to be fulfilled by the party seeking enforcement.[23]One of the most important features of the New York Convention is that the party seeking enforcement of an award no longer has to prove compliance with various conditions but only has to satisfy the prima facie evidence that he is entitled to obtain enforcement of the award. A supportive judiciary system which appreciates the nature of arbitration in the commercial world and applies the generally accepted principles of enforcement of international arbitral awards is a key condition for effective enforcement of awards in most countries. The generally accepted principles of enforcement are as follows.[24]

Firstly, the key principle in the enforcement of international arbitral awards is the pro-enforcement bias by which the courts can facilitate the enforcement of an award. This pro-enforcement bias is also clearly manifested by the provisions of the New York Convention.17 Most of the other broadly accepted principles in the enforcement of international arbitral awards may be said to flow from this fundamental principle.

Second, under Article 5 (1) of the New York Convention and a necessary consequence of the changes from the Geneva Convention 1927, the party resisting enforcement of the arbitration award must have the burden of proof to show the existence of the grounds for refusal according to Article 5 (1) of the New York Convention.[25]

Third, it is generally accepted that there should not be a review of the merits of the arbitral award by the enforcement court. The New York Convention and the United Nations Commission on International Trade Law (UNCITRAL) and Model Law on International Commercial Arbitration discourage any form of judicial review of an arbitral award on its merits.[26] Accordingly, where enforcement is sought under the New York Convention or the Model Law, courts will be especially concern about parties seeking to introduce appeals on the merits.

Whether the above principles are applied in practice depends largely on the judicial environment in relating to arbitration and the enforcement of arbitral awards. The main factor interfering with the application of these principles is non-supportive judicial climate for enforcement of international arbitral awards. The causes of a non-supportive judicial climate include the

[19] Gabrielle Kaufmann-Kohler; "Enforcement of Awards – A Few Introductory Thoughts"; Albert Jan van den Berg gen ed. The Hague: Kluwer Law International, 2004

[20] Julian Lew, Loukas Mistelis & Stefan Kröll, Comparative International Commercial Arbitration; The Hague: Kluwer Law International, 2003; p 688.

[21] Nigel Blackaby & Constantine Partasides with Alan Redfern & Martin Hunter, Redfern and Hunter on International Arbitration; Oxford University Press, 5th Ed, 2009

[22] J Gillis Wetter, "The Present Status of the International Court of Arbitration of the ICC: An Appraisal" (1990)

[23] Albert Jan van den Berg, The New York Convention of 1958; Deventer: Kluwer Law and Taxation Publishers, 1981; p 246

[24] Geneva Convention, Signed 27 September 1927, Geneva.

[25] Nigel Blackaby & Constantine Partasides with Alan Redfern & Martin Hunter, Redfern and Hunter on International Arbitration; Oxford University Press, 5th Ed, 2009

[26] The New York Convention of 1958.

lack of understanding by the courts of the arbitral process and the correct application of treaties or statutes on enforcement and an interventionist attitude towards the arbitral process.

7 CONCLUSION

In the coming years, countries with an established international economic presence will likely increase their participation in cross-border transactions. As the world gets smaller the importance and frequency of cross-border disputes will increase and international arbitration will be the first resort for parties seeking to resolve such disputes. This preference for international arbitration will enhance and develop the system to improve efficiency and outcomes.

Neutrality in decision-making concerns promoting the use of international arbitration will be vital to the expansion of the international dispute resolution process. As countries become increasingly invested in international arbitration its means to safeguard their domestic businesses from potentially problematic cross-border transactions and they must be assured of truly neutral decision-makers. The ability of neutrals to maintain the highest ethical standards and to provide just and equitable outcomes will be essential. Knowledge and experience with various institutional model rules as well as personal experience in the process itself, will be of greater import to practitioners in this field and will assist arbitrators in rendering fair decisions.

With the growth in the value and volume of transactions over the last thirty years the economic relationships between commercial parties have become far more intricate than before. Where the disputes of stakeholders for higher stakes substantively grow more complex then international arbitration is less time-consuming and more efficient alternative to cross-border litigation. As a result, practitioners, arbitrators, and the parties themselves will need to continue to advocate for a role in the evolution of the process to ensure its efficiency and effectiveness, in even the most complicated of circumstances. From both a social and economic point, the search for more effective means to arbitrate cross-border disputes and to meet up the needs of a global economy engaged in business transactions international arbitration has its own accomplishment.

REFERENCES

[1] Nigel Blackaby and others, Redfern and Hunter on International Arbitration (Oxford University Press 2009).
[2] International Arbitration: Corporate Attitudes and practices; Prince water house coopers 2008.
[3] International Commercial Arbitration: An Introduction, Houthoff Buruma, 2013.
[4] The History of International Commercial Arbitration, The Leading Arbitrators' Guide to International Arbitration; Lawrence Newman & Richard Hill ed.; New York: Juris Publishing, 2004.
[5] Enforcement of Awards – A Few Introductory Thoughts, Gabrielle Kaufmann-Kohler; Albert Jan van den Berg gen ed. The Hague: Kluwer Law International, 2004.
[6] International Arbitration; Nigel Blackaby & Constantine Partasides, Oxford University Press, 5th Ed, 2009.
[7] «Arbitration Pro's and Con's», Lisa Gelman, available at https://lisagelman.com/mediation/arbitration-pros-and-cons/.
[8] Growing Revenue from Emerging Markets, INT'L HERALD TRIB., July 24, 2007.
Available at http://www.iht.com/articles/ap/2007/07/24/business/AS-FIN-COM-General-Electric-Emerging-Markets.php
[9] J Gillis Wetter, «The Present Status of the International Court of Arbitration of the ICC: An Appraisal» (1990).
[10] 'Contractual methods for dispute avoidance and resolution', International Journal of Project Management, M Osama Jannadia and others, (2000).
[11] Deborah R Hensler, 'Our courts, ourselves: How the alternative dispute resolution movement is re-shaping our legal system' (2003).
[12] UN Commission International Trade, ENFORCING ARBITRATION AWARDS UNDER THE NEW YORK CONVENTION: EXPERIENCE AND PROSPECTS, U.N. Sales No. E.99.V.2 (1999), available at http://www.uncitral.org/pdf/.
[13] Indonesian Arbitration and Alternative Dispute Resolution Law, Indonesian Law No. 30 of 1999.
[14] Arbitration Act 1996.
[15] The New York Convention of 1958.
[16] Geneva Convention, Signed 27 September 1927, Geneva.
[17] EXPONENTIAL BIOTHERAPIES *v.* Houthoff Buruma NV, 638 F. Supp. 2d, (D.D.C. 2009), District Court, District of Columbia.