INTERNATIONAL JOURNAL FOR LEGAL RESEARCH AND ANALYSIS

Open Access, Refereed Journal Multi Disciplinary
Peer Reviewed

www.ijlra.com

 ISSN: 2582-6433

DISCLAIMER

 ISSN: 2582-6433

EDITORIALTEAM

EDITORS

Dr. Samrat Datta

Dr. Samrat Datta Seedling School of Law and Governance, Jaipur National University, Jaipur.Dr. Samrat Datta is currently associated with Seedling School of Law and Governance, Jaipur National University, Jaipur. Dr. Datta has completed his graduation i.e., B.A.LL.B. from Law College Dehradun, Hemvati Nandan Bahuguna Garhwal University, Srinagar, Uttarakhand. He is an alumnus of KIIT University, Bhubaneswar where he pursued his post-graduation (LL.M.) in Criminal Law and subsequently completed his Ph.D. in Police Law and Information Technology from the Pacific Academy of Higher Education and Research University, Udaipur in 2020. His area of interest and research is Criminal and Police Law. Dr. Datta has a teaching experience of 7 years in various law schools across North India and has held administrative positions like Academic Coordinator, Centre Superintendent for Examinations, Deputy Controller of Examinations, Member of the Proctorial Board

Dr. Namita Jain

Head & Associate Professor

School of Law, JECRC University, Jaipur Ph.D. (Commercial Law) LL.M., UGC -NET Post Graduation Diploma in Taxation law and Practice, Bachelor of Commerce.

Teaching Experience: 12 years, AWARDS AND RECOGNITION of Dr. Namita Jain are - ICF Global Excellence Award 2020 in the category of educationalist by I Can Foundation, India.India Women Empowerment Award in the category of "Emerging Excellence in Academics by Prime Time &Utkrisht Bharat Foundation, New Delhi.(2020). Conferred in FL Book of Top 21 Record Holders in the category of education by Fashion Lifestyle Magazine, New Delhi. (2020).Certificate of Appreciation for organizing and managing the Professional Development Training Program on IPR in Collaboration with Trade Innovations Services, Jaipur on March 14th, 2019

 ISSN: 2582-6433

Mrs.S.Kalpana

Assistant professor of Law

Mrs.S.Kalpana, presently Assistant professor of Law, VelTech Rangarajan Dr.Sagunthala R & D Institute of Science and Technology, Avadi.Formerly Assistant professor of Law,Vels University in the year 2019 to 2020, Worked as Guest Faculty, Chennai Dr.Ambedkar Law College, Pudupakkam. Published one book. Published 8Articles in various reputed Law Journals. Conducted 1Moot court competition and participated in nearly 80 National and International seminars and webinars conducted on various subjects of Law. Did ML in Criminal Law and Criminal Justice Administration.10 paper presentations in various National and International seminars. Attended more than 10 FDP programs. Ph.D. in Law pursuing.

Avinash Kumar

Avinash Kumar has completed his Ph.D. in International Investment Law from the Dept. of Law & Governance, Central University of South Bihar. His research work is on "International Investment Agreement and State's right to regulate Foreign Investment." He qualified UGC-NET and has been selected for the prestigious ICSSR Doctoral Fellowship.He is an alumnus of the Faculty of Law, University of Delhi. Formerly he has been elected as Students Union President of Law Centre-1, University of Delhi.Moreover, he completed his LL.M. from the University of Delhi (2014-16), dissertation on "Cross-border Merger & Acquisition"; LL.B. from the University of Delhi (2011-14), and B.A. (Hons.) from Maharaja Agrasen College, University of Delhi. He has also obtained P.G. Diploma in IPR from the Indian Society of International Law, New Delhi.He has qualified UGC – NET examination and has been awarded ICSSR – Doctoral Fellowship. He has published six-plus articles and presented 9 plus papers in national and international seminars/conferences. He participated in several workshops on research methodology and teaching and learning.

 ISSN: 2582-6433

ABOUT US

INTERNATIONAL JOURNAL FOR LEGAL RESEARCH & ANLAYSIS ISSN

2582-6433 is an Online Journal is Monthly, Peer Review, Academic Journal, Published online, that seeks to provide an interactive platform for the publication of Short Articles, Long Articles, Book Review, Case Comments, Research Papers, Essay in the field of Law & Multidisciplinary issue. Our aim is to upgrade the level of interaction and discourse about contemporary issues of law. We are eager to become a highly cited academic publication, through quality contributions from students, academics, professionals from the industry, the bar and the bench. INTERNATIONAL JOURNAL FOR LEGAL RESEARCH & ANALYSIS ISSN 2582-6433 welcomes contributions from all legal branches, as long as the work is original, unpublished and is in consonance with the submission guidelines.

 ISSN: 2582-6433

INSTITUTIONAL ARBITRATION IN INTERNATIONAL LAW: ANALYSING EFFECTIVENESS, ENFORCEMENT, AND THE NEED FOR HARMONIZATION.

AUTHORED BY - SOUMIL MUKHERJEE & NANDINI
Symbiosis Law School, Nagpur.

ABSTRACT

Institutional Arbitration has emerged as one of the most preferred mechanisms for resolving cross-border disputes due to its peculiar procedural certainty, neutrality, and perceived efficiency. This paper will comprehensively analyse the rules and models adopted by various international arbitral institutions and their conformity with international laws governing arbitration procedures with the historical background of the evolution of arbitration in the international sphere; it will provide materials that are guiding pavements for institutional arbitration in international law in the face of rules, decisions by such arbitral institutions and their effectiveness in the international sphere of relation. It also analyses the effectiveness of such arbitration compared to the quotidian international adjudicating bodies. Therefore, the author's question is: Does institutional arbitration provide a more effective and enforceable mechanism for international dispute resolution than adjudication before international courts? Thus, through the doctrinal and comparative analysis mechanism of arbitral institutions such as – the Permanent Court of Arbitration (PCA), the London Court of International Arbitration (LCIA), and the International Chamber of Commerce (ICC) Court of Arbitration. This paper analyses and evaluates the international laws that prevail over arbitration and concludes any scope of change or revolution needed for such governance.

Key words- *International Arbitration, Institutional Arbitration, International Law, Arbitral Awards, Procedures, Rules.*

 ISSN: 2582-6433

INTRODUCTION

Institutional Arbitration in an international sphere is a streamlined and effective method of Arbitration in which both the parties in dispute agree to settle their dispute before an established arbitral institution. Arbitration is a form of alternative dispute-resolving mechanism. In the International sphere, private or Ad hoc Arbitration is not prevalent due to its ineffectiveness in settling complexities and lack of expertise in international relations and customary laws.[1] For institutional Arbitration, the predominant body is the Permanent Court of Arbitration (PCA), which deals with commercial, civil, and common law matters. Situated in The Hague, the PCA is a non-United Nations body that, in many cases, has worked on resolving disputes in collaboration with the UN. There are other arbitration tribunals, for instance, the London Court of International Arbitration, the American Arbitration Association, the International Centre for Dispute Resolution, and the Vienna International Arbitral Centre, etc. that are appointed by the parties in contracts, treaties etc. as an arbitrator to any dispute arising in the execution of such treaties or contracts.

Institutional Arbitration has advantages of its own; the parties appointing an institution as an arbitrator comes with the perks of having a clear set of rules and obeyance to international guidelines of arbitration procedure, expertise and well-trained arbitrators come in handy with such form of Arbitration, with a systematic administration of Arbitration[2] comes with a price of high cost and fees for such institutions. However, an arbitral award is easier to enforce in arbitral institutions than other private or ad-hoc arbitrators.[3] An institutional procedure is established through the appointment of such arbitrators, and deadlines are maintained to prevent delays purported by the parties in the dispute.[4] There are international guidelines on Arbitration from the commercial aspect with a perspective of customary laws and principles binding upon arbitration institutions. The United Nations Commission on International Trade Law (UNCITRAL), through its Model Law on Commercial Arbitration, has provided governance to Arbitration in the domestic sphere and guidelines and rules for the proper conduct of Arbitration in the cases. Such models and rules become principles that guide international institutional Arbitration and provide norms for the conduct of such arbitration

[1] Alan Redfern and Martin Hunter, *Redfern and Hunter on the International Arbitration* (6th edn, Oxford University Press 2015).
[2] Ibid; Gary B Born, *International Commercial Arbitration* (3rd edn, Kluwer Law International 2021) ch 8
[3] Julian DM Lew, Loukas A Mistelis and Stefan M Kroll, *Comparative International Commercial Arbitration* (Kluwer Law International 2003)
[4] International Chamber of Commerce, *ICC Rules of Arbitration* (2021): Arts 31-33

 ISSN: 2582-6433

procedures.[5]

HISTORICAL BACKGROUND OF THE INTERNATIONAL ARBITRATION

International Arbitration has its history backed by chronicle events one after another, such as The Jay Treaty in the year 1794, formally known as the Treaty of Amity and is a landmark in the history of international arbitration as it gave particularly three broad mixed claims commissions that provided special attention to resolve disputes over the wartime debts, and the confiscations of assets were prescribed for example – (Ships of American revolutionaries), and also the recognition of boundary issues from the side of American revolutionary War. As aforementioned, the Treaty of Amity was well profound as the commission functioning was the first example towards the adoption of organised international dispute resolution bodies as it allowed pre-agreed rules for the parties involved, neutral arbitrators, and thereafter binding awards- and which is now very well inflicted in the modern law of Institutional arbitration frameworks.[6] Later, in the year 1872 the Alabama claims came which was widely regarded as decisive milestone in the evolution of modern international arbitration, it had set well profound precedent for the peaceful settlement of international disputes after the United states and Great Britain dispute during the American Civil War[7], provided the inclusion of arbitral clauses in the subsequent and led the establishments of the Permanent Court of Arbitration (PCA) at the Hague in 1899.[8] The Hague Peace Conference of 1899 is the first significant conference, a landmark evolution for international dispute resolution. Which later led to the Permanent Court of Arbitration (PCA) after the adoption of the Convention for the Pacific Settlement of International Disputes under this conference.[9]

[5] United Nations Commission on International Trade Law, *UNCITRAL Model Law on International Commercial Arbitration 1985 with amendments as adopted in 2006* (United Nations 2008)
[6] Gary B Brown, *International Commercial Arbitration* (3rd edn, Kluwer Law International 2021); Alan Redfern and Martin Hunter, *Redfern and Hunter on International Arbitration* (6th edn, OUP 2015); JG Merrills, 'The Jay Treaty Commissions' (1975) 48 *British Yearbook of International Law* 1.
[7] J H W Verzijl, Juridical Facts as Sources of International Rights and Obligations (Brill Nijhoff, hardback 1 Dec 1973; ebook 30 Dec 2024)
[8] Ibid (n 6); John Bassett Moore, *History and Digest of the International Arbitrations to which the United States Has Been a Party* (US GPO 1898)
[9] Convention for the Pacific Settlement of International Disputes (adopted 29 July 1899), entered into force 4 September 1900) 187 CTS 410; Gary B Brown, *International Commercial Arbitration* (3rd edn, Kluwer Law International 2021); Alan Redfern and Martin Hunter, *Redfern and Hunter on International Arbitration* (6th edn, OUP 2015)

 ISSN: 2582-6433

- **The Jay Treaty of 1794:** The treaty is among the first dispute-resolution mechanisms accepted in international law. The treaty was between the United States of America and the United Kingdom. It was a significant agreement that ensured peace between the two nations. This was the first ever step taken in the initiation of international arbitration. The treaty emerges as the arbitral point of border dispute between the above-mentioned countries.[10] The main objective of the treaty was to ensure peace and stability in the relations of both countries. The treaty resulted from John Jay and Alexander Hamilton's initiative to negotiate the US terms with Britain to ensure peace and security. The outcome of this treaty resulted in increased trade between the US and Britain.[11] This agreement between these countries symbolises the emergence of Arbitration in the international spectrum of polity and relations and solidified British-American diplomacy.

- **Alabama Claims Case (1862-72):** The case revolves around the dispute between Britain and the United States. The dispute arose after the end of the Civil War when the United States claimed awards in the form of compensation from Great Britain for the breach of its neutrality in the American Civil War. The Confederate states of America were the key opponent group of slavery in the United States. Great Britain entered a contract with the Confederate states to supply and provide warships for the movement. Because of that, the Confederate states were successful in drowning the Northern states' ships, which affected the maritime trade, and the United States suffered significant economic losses. Among the ships of the Confederate, there was a ship named Alabama that raided around 58 merchant ships in the northern states.[12] Based on such incidents, the United States, as a result, suffered huge losses and therefore claimed compensation from Great Britain for supplying warships to the Confederate states and breaching its neutrality laws.

  In 1871, both the United States and Great Britain entered the treaty known as the Treaty of Washington, where an arbitration commission was set up to settle the claims of the United States against Britain. Before the treaty, Britain accepted that it had breached its neutrality laws and that the United States deserved the compensation. The arbitration

[10] Henry T King and James D Graham, 'Origins of Modern International Arbitration' (19996) Dispute Resolution Journal 42.
[11] Office of the Historian, US Department of State, '*John's Treaty*, 1794-95'
[12] Office of the Historian, US Department of State, '*The Alabama Claims*, 1862 – 1872'

 ISSN: 2582-6433

commission awarded $15.5 million to the United States in its decision in 1872, ending the Anglo-American civil war disputes. This, again, was a massive development in the aspect of arbitration in international law and a step forward in institutional arbitration.

- **Hague Conference of 1899:** The Hague Peace Conferences of 1899 were key to developing international arbitration. The arbitration discussions rose on a full scale in all the conference meetings. There was openness in all the meetings for the need for an institution for arbitration. Henceforth, the conference adopted the Convention on the Pacific Settlement of International Disputes, which held its tryst for settling disputes through arbitration and other methods.[13] The conference held many discussions on international arbitration and the prospect of the inception of an institution or a tribunal solely dealing with the settlement of inter-state disputes through arbitration, which succeeded through establishing the permanent arbitration court. In its seventh meeting, the conference discussed all the nuances of instituting the PCA and where the Russian counterpart clarified the jurisdiction of the court. The conference took arbitration as an ideal form of settlement of international disputes, and therefore, through arbitration and mediation, the conference has managed to settle any conflicting provisions of conventions of signing countries in the conference through the medium of arbitration.[14]

- **Permanent Court of Arbitration (PCA):** The Permanent Court Arbitration was established in 1899 by the Convention for the Settlement of International Dispute in its second chapter. The Convention outlined the formation of the PCA and its framework. Establishing the PCA facilitated arbitration for international disputes to maintain peace in international relations. The PCA's sole methodology for settling international disputes was only through arbitration. Therefore, this is the pivotal organisation that facilitated the establishment of international institutional arbitration. The dispute-resolving mechanisms have adopted revolving the arbitration methodology in the PCA. There are 122 contracting parties in this institution.[15]

[13] International Court of Justice, 'History' (ICJ)
[14] Ibid
[15] Permanent Court of Arbitration, 'About' (PCA)

 ISSN: 2582-6433

INTERNATIONAL LAWS ON ARBITRATION

- **United Nations Commission on International Trade Law (UNCITRAL)**

The United Nations Commission on International Trade Law laws certain principles and laws regarding arbitration. The model law of UNCITRAL on International Commercial Arbitration provides specific categories of guidelines and rules that every country should adopt to ease and harness arbitration as a means of alternative dispute resolution. The model law, in totality, has 36 articles and explanatory notes as per the amendment in 2006. To analyse the model law, general principles like place of arbitration, number of arbitrators, and setup of an arbitral tribunal must be dealt with.

Article 20 of the model law states that if the parties have not decided the place of arbitration, the laws for arbitration in every country should provide for a tribunal that will decide the place of arbitration. Article 10 of the model law states three arbitrators if not decided by the parties. Article 11 of the model law states that the appointment of the arbitrators is where both parties, failing to agree as per clause three, would appoint one arbitrator each, and the two appointed arbitrators would appoint the third arbitrator on their own.[16] An arbitration tribunal set up in every country by the model law as per Article 10-15 follows specific rules for composing the tribunals.

The UNCITRAL also has its arbitration rules, which work as a guiding foundation for arbitration from both national and international perspectives. The Arbitration Rules provided extended rules on arbitration proceedings. The rules have also recognised arbitral institutions guiding the pavement for institutional arbitration.[17]

- **Principle of Parties Autonomy**

Party autonomy means that parties in an arbitration agreement are free to choose and agree to the procedure followed in the arbitration proceedings. This is a principle that the UNCITRAL Model Law on Arbitration explicitly endorses in its Article 19(1). Party autonomy is a principle of international commercial arbitration where it expediently follows the principle of liberty and settlement of a dispute in an effective manner. With the effect of this principle, the parties achieve flexibility in coming to the finality of a settlement. The parties in an arbitration

[16] UNCITRAL Model Law on International Commercial Arbitration 1985 (with amendments as adopted in 2006) UNGA Res 40/72 (11 December 1985)
[17] SR Myneni, International Trade Law (Allahabad Law Agency 2020) 372.

 ISSN: 2582-6433

agreement are not only at liberty to choose the procedure of the arbitration proceedings but can also choose substantial laws at their ease that would govern the contractual relationship of the parties in the dispute.[18] There are limitations and restrictions to this principle of party autonomy. The parties in an institutional arbitration can demand a set of procedures that can be inherently violative of the administration and procedure of such arbitral institution or tribunal.[19]

Parties in an agreement, in many cases, agree to follow a procedure under this principle of autonomy that is violative to the administrative structure and rules that an institution derives itself from. In such cases, the institutions have curbed such principles and agreements to be in flow in the arbitration and explicitly prohibited the parties. Due to such principle in execution, the arbitration proceedings get swayed by unnecessary delays as well as expenses, which is why the parties to the agreement face and suffer losses due to such delays. Having stated such limitations to this principle, autonomy provides a structure of free space to the parties. When the agreed procedure is established, the parties are bound by that procedure and the laws that will be the basis of such arbitration. In international contractual relationships, arbitration is important in settling any dispute. The principle of party autonomy in institutional arbitration has paved the way for parties' sense of security and willingness to enter into an arbitration agreement. Therefore, this freedom provided such willingness to the parties to opt for arbitration where contractual duties are very complicated, and thence, the true sense of arbitration gets witnessed.[20]

- **Enforcement of Award**

One of the most tedious parts of arbitration is enforcing the award, which comes under post-arbitration proceedings. There are certain conventions on enforcing foreign arbitral awards like The Geneva Convention on Arbitration Clauses, the Third Schedule of Convention on the Execution of Foreign Arbitral Awards, and The New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards, 1958. The United Kingdom enacted the New York Convention of Foreign Awards and henceforth, in reciprocity, has enacted the Arbitration Act

[18] Sunday A Fagbemi, 'The doctrine of party autonomy in international commercial arbitration: myth or reality?' (2015) 6(1) *Journal of Sustainable Development Law and Policy* 45.
[19] Michael Pryles, 'Limits to Party Autonomy in Arbitral Procedure' (ICCA Congress Series No 11, International Council for Commercial Arbitration 2003)
[20] Yifang Gao, 'A Brief Analysis of Party Autonomy in International Commercial Arbitration' in *Proceedings of the 2021 International Conference on Social Science: Public Administration, Law and International Relations* (*SSPALIR 2021*) (Advances in Social Science, Education and Humanities Research, vol 580, Atlantis Press 2021).

 ISSN: 2582-6433

of 1996 as a state law. The convention has brought up grounds for rejecting the enforcement of the arbitral awards if no proper notices were given for the appointment of the arbitrator or no proper mechanism and rules were followed in the proceedings as stated by Article V(1)(b) of the convention which the United Nations recognise.[21] The British Courts have also conveyed and followed the same principles in deciding the enforceability of an arbitral award in its jurisdiction; in its judgement, the court has held that the grounds for refusal of enforcement of the arbitral award can be based on where the arbitrator has illegally decided on the case, and if such awards and judgements are enforced grounds of justice and morality would get affected.[22] The New York Convention on Arbitral Award binds each contracting party to the convention to recognize the arbitration award. The International Centre for Settlement of Investment Disputes, managed by the World Bank, is an institution that provides arbitration services. As per Article 53(1) of its convention, the parties are inherently obligated to enforce the arbitration award. In its enforcement procedure, every party signing to the ICSID convention has to certify a true copy from the secretary to a competent court in the state; this forms the general procedure in each country state to enforce a particular arbitral award in its jurisdiction from any arbitration institution. Another arbitral institution is the International Chamber of Commerce International Court of Arbitration, a non-governmental institution with much experience settling commercial disputes. The rules of the ICC provide that the award shall be binding to the parties in the agreement to which the English Courts have applied the principle of exclusion agreement in the laws of arbitration in the state.[23]

In India under section 47(1) of the Arbitration and Conciliation Act[24], states to prove the award is a foreign award, the party applying for enforcement must either produce the original award passed by the former court or a copy of the award by duly authenticated adhering to the laws of that country.

While the provisions remain, the courts are reluctant and thereby giving relaxation to follow the above-mentioned law as the court in Hugo Neu Corporation v. Lloyds Steel Industries[25] has not adhered to a strict interpretation of this proviso and has eased the mandate of producing

[21] Sebastien Fries and others, 'Grounds to Refuse Enforcements' (*Global Arbitration Review*, 17 May 2023)
[22] *Westacre Investments Inc v Jugoimport – SDPR Holding Co Ltd* (1998) 2 Lloyd's Rep 111
[23] Carole Murray, David Holloway and Daren Timson-Hunt, The Law and Practice of International Trade (12th edn, Sweet & Maxwell South Asian edn 2020) 595-597.
[24] Arbitration and Conciliation Act 1996, s 47(1)
[25] *Hugo Neu Corporation v Lloyds Steel Industries* (2009) SCC OnLine Bom 785

 ISSN: 2582-6433

the documents before the court and allowing the parties to submit the documents in the later stage of the proceedings.

It has to be understood that the courts have the jurisdiction to enforce the arbitral award of any institution. The London Court of International Arbitration pronounced the award, and the enforcement of the award only has to be recognized by the courts. The jurisdiction of the Arbitral Institution ends when the award is pronounced. The agreement between the parties in the case of A v. B[26] contained the arbitration clause of LCIA on one factual issue. The LCIA did not consider its award, in which both parties agreed that the Commercial Court had the jurisdiction to settle the matter over such an issue. Therefore, the commercial court decided the case by relying on the '*functus officio'* principle. US courts have upheld arbitral verdicts and foreign arbitration agreements based on bilateral agreements and comity principles. There was an understandable lack of faith in the system since the businesspeople and their attorneys could not be sure that the courts would enforce the arbitration clause or arbitral rulings.[27]

- **Rules, Regulations and Norms**

Different institutions have different sets of rules governing arbitration and the proceedings. On a scale of limited parameters, it can be studied how different institutions have different sets of rules that can be studied. There still are commonalities in every institutional arbitration centre because of the uniformity that each follows with the help of the UNCITRAL Arbitration Model law and rules governing arbitration. Moreover, the table below is significant, given the comprehensive distinction.

Table 1[28]:

PARTICULARS	**ICC RULES[29]**	**LCIA RULES[30]**	**HKIAC RULES[31]**
Appointment of Arbitrators	Under ICC Rules, the Art 12.4 and 12.5 deals with the party's	Under LCIA Rules Art 5.6 and 5.8 the receipt of Response or, if no	Under HKIAC Rules Art 8.1 says the Claimant nominates its

[26] *A v B (Rev 1)* [2020] EWHC 2790 (Comm)
[27] Arden (Guy) McClelland, 'International Arbitration: A practical Guide for the Effective use of the system for Litigation of Transnational Commercial Disputes' (1978)
[28] Baker McKenzie, 'Comparative Chart of International Arbitration Rules' (*Global Arbitration News*)
[29] International Chamber of Commerce, *ICC Arbitration Rules* (*2021*)
[30] London Court of International Arbitration, *LCIA Arbitration Rules (2020)*
[31] Hong Kong International Arbitration Centre, *HKIAC Administered Arbitration Rules* (2018)

 ISSN: 2582-6433

	autonomy to select an arbitrator; and for the appointment of arbitrator appointed specifically by ICC Court.[32]	Response within 28 days from the start of arbitration.	arbitrator from the notice of Arbitration or within 15 days from HKIAC's decision, and respondent nominates in the answer to the notice of Arbitration or within 15 days after Claimant's nomination under HKIAC's decision, otherwise by HKIAC."
Replacement or Revocation of Appointment of Arbitrator	An arbitrator shall be replaced upon his death, upon the acceptance by the Court of the arbitrator's resignation, upon acceptance by the Court of a challenge or on the request of all the parties.	Article 10 - Revocation of Arbitrator's Appointment any arbitrator dies, falls seriously ill. Refuses, or becomes unable or unfit to act, either upon challenge by a party or at the request of the remaining arbitrators, the LCIA Court may revoke that arbitrator's appointment and appoint another arbitrator.	----------
Venue of Arbitration	Article 18(1) states that the court only affixes the venue of arbitration proceedings unless		Article 12.1 states that the venue of the arbitration proceedings shall be Hong Kong

[32] Gusy MF, Hosking JM and Schwarz FT, A guide to the ICDR International Arbitration Rules (1st edn, Oxford University Press May 2011) ISBN 978-0-19-959684-3

 ISSN: 2582-6433

	already decided by the parties.	----------	unless it is pre-decided by the parties or the tribunal decided elsewhere.
Language of Proceedings	All major languages including- Arabic, Chinese, German, Italian, Portuguese, Russian and Spanish.	----------	Majorly preferred languages- Cantonese, French, Mandarin, Swedish, German, Japanese, Arabic, and Spanish.
Confidentiality	Article 22.3 No confidentiality provision binding parties or arbitrators, but any party can apply for confidentiality of proceedings or to protect trade secrets or confidential information; ICC publishes all awards unless one party objects.	Article 30 Awards and any materials in proceedings are confidential; disclosure is permitted in limited circumstances.	Any information pertaining to the arbitration, an award, or an emergency decision is covered by Article 45, with disclosure allowed under certain conditions. All parties, party representatives, the tribunal, HKIAC, any emergency arbitrator, expert, witness, and tribunal secretary are all covered by confidentiality.
Time limit for issuing award	Article 31.1 within six months following the last time, the terms of reference were signed.	Although there is no deadline, the tribunal should make an effort to render the decision no	Article 31.2 Three months after the tribunal declares the entire proceedings or

 ISSN: 2582-6433

		later than three months after the parties' most recent submission (15.10).	the pertinent phase of the proceedings closed, whichever comes first. Extendable by mutual consent between the parties or, in suitable situations, by HKIAC.

Arbitral institutions have adopted a newer concept of emergency relief in recent history. Article 9 of LCIA Rules states the procedure for setting up a tribunal wherein the parties can opt for emergency relief, in an emergency, a tribunal would be set up for the convenience of the parties in arbitration. In a similar but effective manner to the LCIA Rules, the American Arbitration Association (AAA) ICDR established in 1996 in its Article 37 of rules the parties first have to apply for the constitution of an emergency panel or tribunal on the emergency basis an ad hoc arbitrator will be appointed which would be a single panel forming the tribunal that would give interim relief before the actual panel is set up for the arbitration proceedings. In a similar way to the ICDR, the Singapore International Arbitration Centre (SIAC), in its Schedule 1 of Arbitration Rules, states that the setting up of an emergency panel for arbitration before the commencement of the actual proceedings initiates.[33]

There are different rules pertaining to different mechanisms adopted by the institutions in arbitration. These rules are the benefits of a streamlined arbitration procedure and effective in resolving disputes.

COMPARISION TO INTERNATIONAL COURTS

- **Permanent Court of Arbitration v/s International Court of Justice**

The Permanent Court of Arbitration and the International Court of Justice are partly from the United Nations and the independent intergovernmental body by the Hague Convention in the year 1899. Both these institutions are co-operating closely in the field of resolving disputes.[34] There are inherent differences in the working patterns and methodologies of the two in

[33] Erin Collins, 'Pre-Tribunal Emergency Relief in International Commercial Arbitration' (2012) 10(1) Pepperdine Disp Resol LJ

[34] Unite Nations, *Charter of the United Nations* (adopted 26 June 1945, entered into force 24 October 1945) 1 UNTS XVI, art 92; Convention for the Pacific Settlement of International Disputes (Hague I) (adopted 29 July 1899, entered into force 4 September 1900) 187 CTS 410.

 ISSN: 2582-6433

resolving international disputes[35]; for such reasons, both institutions are being compared in terms of their effectiveness in dispute-resolving abilities.[36] Out of all the institutions and centres of arbitration, the Permanent Court of Arbitration is the leading institution that guides the pathway of institutional international arbitration. In contrast, in adjudication, out of all the foreign international courts, the International Court of Justice acts as a symbolised form of dispute resolution through adjudication in international forums. The PCA and ICJ differ in jurisdiction and the methodology adopted for dispute resolution, bindingness, and effectiveness. In the international sphere and relations, conflict arises frequently. In order to resolve such international disputes, different forums of authority are established via treaties and conventions. Such decisions by the institutions are binding upon the signatory parties to such a treaty or convention.[37] It is the United Nations Charter through which the International Court of Justice has been established.[38] The Statute of the International Court of Justice derives itself from the 193 signatories to the UN charter.

PCA is an international court that paved the way for arbitration as a valid and genuine methodology for dispute resolution in international law.[39] Matters before ICJ are only between the parties that are states[40], which means that only the states can be the party in a dispute, whereas in PCA, the government acting as parties can contest in cases. PCA provides a more flexible and effective way of conflict resolution than the ICJ[41]. That is because the ICJ only constrains itself to adjudication procedures and proceedings binding the parties with legal principles. In contrast, PCA provides for different mechanisms of dispute resolution such as mediation, arbitration, conciliation, etc., helpful in the peaceful settlement of aspects of a multilateral system of party, where it is not a bilateral dispute but rather a multilateral based dispute to the arbitration tribunal or the arbitrators pronounce awards. In modern trends, cross-border disputes are less likely to go before litigation in adjudicating forums. Instead, they are

[35] Hugh Thirlway, The International Court of Justice (OUP 2016) ch 2-3; Permanent Court of Arbitration, 'Introduction'
[36] Malgosia Fitzmaurice, 'The International Court of Justice' in Cesare PR Romano, Karen J Alter and Yuval Shany (eds), *The Oxford Handbook of International Adjudication* (OUP 2014) 304
[37] United Nations, Charter of the United Nation (n 32) art 94; Statute of the International Court of Justice, art 59.
[38] Statute of the International Court of Justice (adopted 26 June 1945) annexed to the Charter of the United Nations, 1 UNTS XVI
[39] Convention for the Pacific Settlement of International Disputes (Hague I) (adopted 29 July 1899, entered into force 4 September 1900) 187 CTS 410; Permanent Court of Arbitration, 'Introduction'
[40] Statute of the International Court of Justice (adopted 26 June 1945) annexed to the Charter of the United Nations, 1 UNTS XVI, art 34(1)
[41] Philipee Sands, 'Arbitration and the Pacific Settlement of Disputes' in Cesare PR Romano, Karen J Alter and Yuval Shany (eds), *The Oxford Handbook of International Adjudication* (OUP 2014) 346

 ISSN: 2582-6433

preferred for international arbitration[42], where it is easier to mend language and party autonomy, where rules can be opted for the party's convenience and other flexible aspects. Regarding international commercial litigation and arbitration, when individuals have entered an international trade agreement, it should be contemplated that there might be a possibility of dispute. Thus, it should be ensured that the contract contains an unambiguous jurisdiction clause.[43] Jurisdiction plays a vital role in international commercial litigation and arbitration. International commercial agreements include disputes ranging from torts, civil liabilities, contractual liabilities, delict, etc. International courts like the European Court of Justice in the Lugano Convention revised its jurisdiction clause interpreting that a Non - European Union member state can also represent itself in the Court.[44] In commercial arbitration guided by the UNCITRAL Arbitration Rules and the ICC Court of Arbitration, third-party interference is necessitated as a part of the jurisdictional clause. No special jurisdiction has to be conferred by the forums as it is already a part of an arbitration agreement between the parties. Regarding interim remedies in international arbitration, nearly every international arbitral centre has clauses in its rules for interim measures and remedies to be provided even before the commencement of the arbitration proceedings. International courts have also adopted the mechanism of freezing injunction as interim measures are taken where the courts will restrain the party from dealing with property, assets, etc., in the court's jurisdiction. The court, under this mechanism, can even direct the defendant to surrender his passport and restrain him from leaving the jurisdiction.[45]

- **Effectiveness in resolving disputes**

The third-party mechanism helps bind the parties into the arbitration proceedings and certainly helps in the practical pathway for settlement. Emergency remedies, expedited procedures, flexibility with the parties, etc, are all effective in international arbitration. Most parties in international arbitration believe that the decision from the arbitration would be a settlement based on the way of an award.[46] Arbitrators tend not to find a middle way in an arbitral award;

[42] Queen Mary University of London & White & Case LLP, *2021 International Arbitration Survey: Arbitration to a Changing World* (QMUL 2021)
[43] Lawrence Collins (ed), *Dicey, Morris and Collins on the Conflict of Laws* (14th edn, Sweet & Maxwell 2006) chs 11-13, with 2010 Supplement
[44] Protocol No 2 on the Uniform Interpretation of the 2007 Lugano Convention (2007) OJ L339/3
[45] *Bayer AG v Winter* [1986] 1 WLR 497 (CA)
[46] Monika Feigerlova, 'Emergency Measures of Protection in International Arbitration' (2018) 18 *International and Comparative Law Review* 155; Ricardo Barreiro Deymonnaz, 'Clash or Complementarity? Exploring Interim Relief Powers of Emergency Arbitrators and Dispute Adjudication Boards' (2025*) IBA Arbitration News; King & Spalding*, 'The Emergency Arbitrator: Doubling as an effective option for Urgent Relief and an Erly Settlement

 ISSN: 2582-6433

either one of the parties, through the arbitration award, substantially loses the case as determined by the award.[47] However, in international courts, the courts effectively determine the award by the judgment binding on all the parties. Thus, the arbitral award has to be approved and enforced in respective countries, which is a tedious process; however, court awards and decisions are easily binding upon the parties. Other factors influencing the effectiveness of international institutional arbitration are speed, cost, and fees. International arbitration has expedited procedure and innovated with effective costs, speedy decision rendering on easy costs and arbitral awards.[48] Comparing arbitration to ICJ judgements over a fourth of court decisions, the losing party always complies with the courts' decisions.[49] The effectiveness of International Courts (IC) relies on the enforcement role of the parties in dispute and the administrative role of the organisations. As of 2006, 25 permanent international courts are presently in working status in international law.[50] The IC's decisions bind the parties by the methods of adjudication, awards based on litigation, and dispute settlement mechanisms, including administrative review. ICs are usually governed by international law, and institutional arbitration centres are governed by their own rules and regulations; therefore, the proceedings in the IC are very formal and litigious, whereas, in arbitration, they are flexible and accessible to the parties. After the COVID-19 pandemic, institutional arbitration, with the help of technological advancement in, say, video conferencing and other software development, the effectiveness of arbitration has increased and eased the party's accessibility and comfort.

- **Bindingness**

Many arbitral awards, as per arbitration rules of institutions and centres, are binding upon the parties. Article 53 of ICSID[51] binds the award upon the parties in arbitration to effectively settle

Tool' (JD Supra 2015); Toby Starr, 'Emergency Arbitrations an Effective Alternative to Litigation in International Disputes' (December 2021) *Financier Worldwide Magazine*.

[47] Georges R Delaume, 'Reflections on the Effectiveness of International Arbitral Awards' (1995) 12(1) Journal of International Arbitration 5

[48] Peter Quayle and Xuan Gao, 'International Organizations and the Promotion of Effective Dispute Resolution' in Peter Q uayle and Xuan Gao (eds), *AIIB Yearbook of International Law 2019, Volume II* (Brill Nijhoff 2020)

[49] Joan E Donoghue, 'The Effectiveness of the International Court of Justice' (2014) 108 Proceedings of the ASIL Annual Meeting 114

[50] Karen J Alter, 'The Multiple Roles of International Courts and Tribunals: Enforcement, Dispute Settlement, Constitutional and Administrative Review' (Northwestern University School of Law Faculty Working Paper No 212, 2012)

[51] International Centre for Settlement of Investment Disputes (ICSID) Convention (opened for signature 18 March 1965, entered into force 14 October 1966) 575 UNTS 159, art 53

 ISSN: 2582-6433

the dispute. Similarly, In AAA[52], awards are declared by the arbitrator, and binding procedures are elaborative and structured. Therefore, this kind of a binding effect, with the typical clear and structured procedures makes the institutional arbitration attractive and effective. Also, Other perks include relatively effective costs and the cheaper fees than other forms of dispute resolution like litigation. However, if a party does not follow the arbitrator's decision, then the AAA or the arbitrator cannot force the party to enforce and follow the award; the parties have to execute the award by the court. The courts are at the discretion of supervising and enforcing the arbitral award with the parties. International arbitral awards are not inherently binding upon the parties; the courts bind the award after examining the legality of such arbitral awards. Part of the bindingness of arbitral award submits to the facts and principles of denationalising enforcement of awards, lex loci arbitri, and judicial intervention.[53] ICs, on the other hand, are effective in binding the court's decision. Article 59 of the ICJ[54] states that the court's decision is not to be binding except to the parties in the dispute. Nevertheless, the decisions of ICs develop and contribute to the growth of International Law. Parties like the US can be compelled to comply with the court's decisions under the United Nations Charter.[55] International law is a compliance-based system of settlement of disputes. Therefore, parties can be compelled to comply with the courts' decisions. Non-compliance with judicial decisions is less common in cases and can be overturned by political cover. Compliance is not a problem in the real world but can be considered a hurdle in the academic and intellectual realms. Therefore, these are the striking differences in the bindingness of Institutional Arbitration in International Courts in International Law. These differences are multilateral and multi-faceted and henceforth can overlap with the courts' interventions in the realm of arbitration.

PERKS AND DOWNSIDES

- **An Overview**

International Institutional Arbitration has its perks and downsides. The arbitration rules of centres and institutions are suitable for parties in disputes in many ways; however, those rules can also hinder the arbitration procedure. Rules of arbitration institutions are generally

[52] American Arbitration Association, *AAA Commercial Arbitration Rules and Mediation Procedures* (including Procedures for Large, Complex Commercial Disputes) (2013)
[53] William W Park and Jan Paulsson, 'The Binding Force of International Arbitral Awards' (1983) 23 *Virginia Journal of International Law* 253.
[54] Statute of the International Court of Justice (adopted 26 June 1945) annexed to the Charter of the United Nations, 1 UNTS XVI, art 59.
[55] United Nations, *Charter of the United Nations* (adopted 26 June 1945, entered into force 24 October 1945) 1 UNTS XVI, art 94.

 ISSN: 2582-6433

comprehensive, and due to such interpretations, they become an issue. Delays are common in arbitration, as per surveys.[56] Perks include expedited procedures that are elaborative and structured. Other perks include effective costs and cheaper fees than other forms of dispute resolution.

- **Delay**

Lawyers in arbitration proceedings are experts in inheriting tactics of delays. Usually, the clauses of the contracts are the troublemaker in every delay caused by arbitration agreements. However, international arbitration is always considered an effective and speedier proceeding than litigation.[57] If the parties have not put up clauses selecting the procedure and rules governing the arbitration proceedings, delays are inevitable. Due to the delays and unnecessarily prolonged proceedings of the arbitration, the cost also increases, making international arbitration an expensive resolution. These unnecessary delays in arbitration proceedings are due to lengthy submissions by the parties where unnecessary facts and evidence that are not in issue are also submitted, and the arbitrator's dwell in the dealings of such submissions. Document discovery is another issue for unnecessary delays; document discovery on a broader basis delays the arbitration proceedings; however, if narrowed and specified document discovery is chosen, then an effective, speedier conclusion of arbitration can be achieved, resulting in even cost-effectiveness.[58] Many parties are dissatisfied with the delays in arbitration award timings, and delays where 66% of respondents have raised concerns of dissatisfaction with the time they had to wait for arbitral awards.[59] Generally, in international commercial disputes, the large extent of delays causes a significant loss to the businesses as certain businesses depend on their work on the arbitral award. Such delays result in a loss of capital for the businesses, which becomes a point of enormous concern.

- **Expedited Procedure**

The expedited procedure is adopted by international arbitration centres for simplified and streamlined arbitration procedures for cost and time-effective purposes. The expedited procedures are generally straightforward procedures that are less formal and complicated.

[56] Queen Mary University of London, 2010 International Arbitration Survey: Choices in International Arbitration (School of International Arbitration)
[57] Johan Steyn, 'Delays and Delaying Tactics in International Commercial Arbitration' (1983) 49 *Arbitration: The International Journal of Arbitration, Mediation and Dispute Management* 9.
[58] Anton G Maurer, 'How International Commercial Arbitration Can Be More Efficient, Speedier, and Less Costly' (*JAMS ADR Insights*, 25 October 2023)
[59] Berwin Leighton Paisner, *Research Based Report on Perceived Delay in the Arbitration Process* (Survey, 2012).

 ISSN: 2582-6433

However, it is to be construed that these simplified procedures adopted by the international arbitration institutions shall not in anywhere affect the rights of the parties, and centres of international arbitration are guided by the UNCITRAL Arbitration rules to adopt expedited rules and procedures in concomitance concerning the legality and rights of the parties.

The procedures are shortened into three or four stages of proceedings. With this, the expedited procedure adopted by ICSID is expected to conclude within or around 500 days. Parties are at liberty to opt for a standard or expedited procedure as a part of the service by ICSID. As per SIAC rules, the expedited procedure is a fast-track procedure for which specific necessities are to be meted out. Suppose the expedited procedure is opted for by parties under SIAC. In that case, the arbitration proceedings will be concluded within six months, the condition being that an emergency procedure has to be opted for. This helps save time and costs of arbitration on an international level. Expedited arbitration under LCIA rules is not explicitly mentioned; however, the centre will adopt such time and cost-saving procedures under special urgency and emergency matters. In AAA ICDR rules of arbitration, the expedited procedure can be opted for and agreed upon by the parties if the dispute does not go above USD 500,000.[60] In generality, the expedited procedures are established when the parties agree in their arbitration clause of such procedures to be opted out or after the dispute has arisen and have mutually agreed to such procedure. Secondly, these procedures are adopted in emergencies, which help conclude the arbitration and declare an award more speedily. Lastly, these procedures are generally opted for matters where the cost of the case or the sum of money is not too high. In a case where a higher sum than that is under the different rules of the institutions, it is not adaptive to the expedited procedure.

- **Cost and Fees**

International arbitration is considered a cost-effective, less expensive dispute resolution mechanism. The sum in dispute determines the cost of administration. Following is the table for illustration as a cost and fees structure[61] -

[60] ACERIS LAW LLC, 'Expedited Arbitration' (*Aceris Law*, 1 October 2023)
[61] W Laurence Craig, William W Park and Jan Paulsson, International Chamber of Commerce Arbitration (3rd edn, Oceana Publications and Oxford University Press 2000) 387.

 ISSN: 2582-6433

Table 2 –

SUM IN DISPUTE (US Dollar)	ADMINISTRATIVE EXPENSES (US Dollar)
50 000	2 500
500 000	11 050
1 000 000	16 800
10 000 000	33 800
50 000 000	57 800
80 000 000	75 800

The above table represents the ICC rules on determining the costs; however, the arbitrator's fees are also determined through the sum of money in dispute. Under the ICC rules, the fees and cost of arbitration can also be determined by the arbitral award. Comparing this to international courts, the litigation budget for the International Criminal Tribunal for the Former Yugoslavia (ICTY) in its first thirteen years was USD 1.2 billion as the legal proceedings were increasingly skyrocketing and became expensive, and as of 2006, the ICTY has only twenty-eight judgments delivered.[62] There is no standard international arbitration cost; the cost of proceedings is dynamic and varies from the institutions and centres of arbitration. The LCIA analysis reveals notable variations in expenses throughout the various institutions. For instance, the average cost of an arbitration at the ICC and the Hong Kong International Arbitration Centre ("HKIAC") is $199,000 (USD). In contrast, the average cost of an LCIA arbitration is $97,000 (USD).[63] International Arbitration offered a fair substitute for national courts in cases involving parties of different nationalities, and arbitration was preferred over court litigation in cases involving cross-border disputes due to the improved enforcement powers offered by the 'Convention on the Recognition and Enforcement of Foreign Arbitral Awards, also known as the New York Convention.' The creation of international arbitration was primarily motivated by these neutrality and enforcement issues rather than efficiency and economic considerations.[64]

[62] David Wippman, 'The Costs of International Justice' (2006) 100 *American Journal of International Law* 861.
[63] Mololamken, 'What is the Average Cost of an International Arbitration?' (2021)
[64] Charles Russell Speechlys, 'Arbitration is Cheaper – Myth or Reality?' (31 October 2023)

 ISSN: 2582-6433

CRITICAL ANALYSIS

Although early mechanisms like the Alabama Claims Tribunal and the Jay Treaty Commissions laid the groundwork for amicable interstate dispute resolution, their procedural sophistication was limited, and they were ad hoc by nature, as evidenced by the historical development of international arbitration. The Hague Peace Conference in 1899 marked a significant turning point, and the subsequent creation of the Permanent Court of Arbitration (PCA) established a standing framework for conducting arbitrations with impartial panels and under established rules. This change reflected the growing recognition that, despite their flexibility, purely ad hoc structures lacked the uniformity and procedural protections required to manage increasingly complicated transnational disputes. This tradition is continued in contemporary institutional arbitration. Modern institutional rules—such as those of the ICC, LCIA, HKIAC, and UNCITRAL—balance procedural efficiency with party autonomy by using default rules, administrative oversight, and specialised secretariats. This institutional support is critical in areas where ad hoc tribunals usually fall short, such as providing emergency relief, addressing the appointment of arbitrators in cases where parties cannot agree, and guaranteeing timeline compliance. This strongly implies that institutional arbitration's success depends on its restrictions on unchecked party autonomy. Although parties can choose important aspects of the procedure, the institution's regulations and administrative bodies intervene to avoid deadlocks and strategic abuses. However, significant limitations are also revealed by the comparative analysis. Even though widely accepted agreements such as the New York Convention guarantee widespread acceptance and enforcement of awards, the procedure is still susceptible to obstruction by local court challenges, particularly when public policy exceptions are interpreted broadly. Institutional arbitration's inherent reliance on domestic legal systems is highlighted by its reliance on national courts for interim measures and final enforcement despite its reputation for greater neutrality and expertise. Furthermore, even though institutional arbitration is typically less expensive than drawn-out litigation before international courts, this benefit may be outweighed, especially for smaller claims, by growing administrative and arbitrator fees. Additionally, although permanent international courts like the ICJ are frequently compared favourably with institutional arbitration, this dichotomy ignores the ICJ's wider jurisdiction, which frequently includes State responsibility, public international law, and issues inappropriate for purely private or commercial forums. Permanent courts still play a crucial role in situations requiring sustained adherence to international law and authoritative interpretations. Thus, it is necessary to view institutional arbitration's efficacy as relative rather than absolute. The nature of the dispute, the parties' voluntary compliance,

 ISSN: 2582-6433

the pro-arbitration stance of national courts, and the institution's ability to modify its regulations in response to new issues such as third-party funding, virtual hearings, and multi-party or multi-contract disputes are all factors that will determine its success.

The ability of institutional arbitration to provide a hybrid—combining the flexibility and party autonomy of the arbitral process with the procedural rigour and expertise of a permanent institution—is crucial to its potential. Its history demonstrates that every iteration, from the Jay Treaty to the PCA to the ICC, has attempted to address the shortcomings of purely ad hoc dispute resolution by incorporating checks and balances that support impartiality, effectiveness, and enforceability.

Therefore, the results of this study show that, in most cases, institutional arbitration provides a more efficient and legally binding means of settling global business conflicts than either ad hoc procedures or conventional international adjudication alone. The commitment of arbitral institutions to uphold transparency, procedural integrity, and user confidence, as well as ongoing reform and improved harmonization of national laws with international standards, are necessary for this effectiveness.

CONCLUSION

This paper seeks to answer the prominent question of whether institutional arbitration provides a more effective and enforceable mechanism for international dispute resolution than adjudication before international courts. Through the comprehensive historical and doctrinal examination of the first mixed claims commissions, then the Alabama Claims Arbitration, the Hague Peace Conference of 1899, and the evolution of the Permanent Court of Arbitration, it makes clear that the institutionalisation of arbitration emerges precisely to overcome the shortcomings of the ad hoc tribunal and the rigidities of traditional interstate adjudication.

The International Chamber of Commerce, London Court of International Arbitration, Hong Kong International Arbitration Centre, and UNCITRAL Model Law are examples of contemporary institutional frameworks that show how party autonomy, professional administration, and internationally harmonized enforcement regulations work together to foster effectiveness, neutrality, and user confidence. Institutional arbitration has emerged as the go-to method for settling complicated international business disputes where adaptability, confidentiality, and enforceability are crucial due to its clear procedural rules, expert

 ISSN: 2582-6433

supervision, and support from multilateral agreements like the New York Convention.

However, the inherent limitations that qualify this advantage are also revealed by this analysis. Institutional arbitration is subject to domestic judicial attitudes, expansive interpretations of public policy, and uneven procedural standards because it still depends on national courts for enforcement and temporary relief. Furthermore, practical issues resemble some of the disadvantages of litigation, such as growing expenses, sporadic delays, and the strategic abuse of party autonomy.

The paper compares adjudication before international courts like the ICJ with institutional arbitration. It concludes that while courts are still important in cases involving human rights, public international law, or state responsibility, they are less appropriate for transnational commercial disputes where party-driven processes, confidentiality, and customized procedures work better. Therefore, it is argued that, in the context of private commercial and investment disputes, institutional arbitration—despite its flaws—generally offers a more efficient and enforceable mechanism for international dispute resolution than adjudication before international courts. However, for it to remain effective, there must be ongoing reform, more harmonization of national laws, strong procedural protections against misuse, and a dedication on the part of all parties involved to maintain the integrity of the arbitral process. Institutional arbitration's adaptability and resilience will be essential as the system tackles new problems like virtual hearings, multi-party disputes, third-party funding, and striking a balance between transparency and confidentiality. Institutional arbitration can continue to fulfil its promise of effective, equitable, and legally binding dispute resolution in the global arena by taking lessons from its past and addressing these issues.