INTERNATIONAL ARBITRATION AS A CATALYST FOR STRENGTHENING ECONOMIC LEGISLATION IN A GLOBALIZED ECONOMY

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ABSTRACT

International arbitration has emerged as one of the most consequential mechanisms shaping the legal architecture of the global economy. As states and multinational corporations engage in increasingly complex cross-border transactions, the demand for neutral, enforceable, and efficient dispute resolution has grown exponentially. This paper argues that international arbitration functions not merely as a reactive mechanism for resolving disputes but as a proactive catalyst that stimulates the refinement, harmonization, and strengthening of national economic legislation. Through its procedural innovations, enforcement frameworks rooted in the New York Convention of 1958, and the normative pressures generated by investor-state arbitration, the institution of international arbitration has compelled states to modernize their commercial laws, enhance regulatory transparency, and align domestic legal frameworks with internationally recognized standards. Drawing on treaty practice, arbitral jurisprudence, and comparative legal analysis, this paper examines the structural mechanisms through which arbitration influences economic legislation, the challenges arising from its expanding role, and the trajectories through which it may continue to shape the global legal order. The paper concludes that while international arbitration is not without its critics and structural tensions, its influence on economic law reform is undeniable and increasingly indispensable to the functioning of a rules-based international economic order.

Keywords: International Arbitration, Economic Legislation, Investor-State Dispute Settlement, New York Convention, Globalization, Legal Harmonization, Commercial Law Reform, ICSID, Arbitral Awards.

1. INTRODUCTION

The globalization of economic activity over the past five decades has fundamentally transformed the legal landscape governing cross-border commerce, investment, and finance. As trade flows intensify and capital moves across jurisdictions with unprecedented speed, the legal frameworks within which commercial actors operate have been subjected to mounting pressure to evolve. In this context, international arbitration has risen from a specialized mechanism for resolving commercial disputes to a foundational institution of the global economic order. Its significance transcends the mere resolution of individual disputes; it functions as a living laboratory for the development of international commercial norms and as a powerful force compelling states to reform and strengthen their domestic economic legislation.

The relationship between arbitration and legislation is not merely incidental. When arbitral tribunals interpret contracts, apply treaties, and evaluate the conduct of states and corporations against internationally accepted standards, they generate normative signals that reverberate through domestic legal systems. States that aspire to attract foreign investment, participate in international supply chains, and honor their treaty obligations find themselves under sustained pressure to modernize their commercial laws, improve the enforceability of contracts, and bring their regulatory frameworks into conformity with arbitral expectations. In this sense, international arbitration operates as a form of soft governance, steering national legal reform from the outside.

This paper undertakes a systematic examination of the mechanisms through which international arbitration catalyzes the strengthening of economic legislation. The analysis proceeds in several stages. After situating arbitration within the broader context of economic globalization, the paper examines the historical development of international arbitration and its institutional infrastructure. It then analyzes the specific channels through which arbitral practice influences domestic legislation, drawing on evidence from investor-state arbitration, commercial arbitration, and the enforcement of arbitral awards. The paper further considers the criticisms levelled against the expanding role of arbitration and explores pathways through which its reformative potential may be maximized. The conclusion synthesizes these findings and situates them within the broader project of building a coherent, legitimate, and effective international economic legal order.

2. HISTORICAL DEVELOPMENT OF INTERNATIONAL ARBITRATION AND ITS INSTITUTIONAL ARCHITECTURE

2.1 Origins and Early Development

The origins of international arbitration can be traced to antiquity, where Greek city-states employed arbitral processes to resolve inter-polis disputes, and Roman commercial practice developed rudimentary forms of private adjudication. The modern institutional foundations of international commercial arbitration, however, are largely a product of the nineteenth and twentieth centuries. The Alabama Claims arbitration of 1872, in which an international tribunal awarded the United States compensation from Great Britain arising from the Civil War, is often cited as a landmark in the formalization of state-to-state arbitration. Its procedural sophistication and the enforceability of its award demonstrated that international disputes could be resolved through principled adjudication outside the realm of diplomatic coercion or military force.

In the commercial sphere, the development of arbitration closely tracked the growth of international trade. As merchants from different nations entered into increasingly complex commercial arrangements, the inadequacy of domestic courts — burdened by jurisdictional limitations, procedural rigidity, and perceived partiality — became apparent. The establishment of the International Chamber of Commerce (ICC) in 1919 and its Court of Arbitration in 1923 represented a pivotal moment in the institutionalization of international commercial arbitration. The ICC Court provided a permanent institutional home for the arbitration of international commercial disputes, complete with procedural rules, administrative support, and a roster of qualified arbitrators drawn from diverse legal traditions.

2.2 The New York Convention and Its Legislative Significance

The single most consequential development in the history of international arbitration is, without question, the United Nations Convention on the Recognition and Enforcement of Foreign Arbitral Awards, adopted in New York in 1958 and commonly referred to as the New York Convention. The Convention established a global framework obligating contracting states to recognize arbitration agreements and to enforce foreign arbitral awards, subject only to narrow, enumerated grounds for refusal. With 172 contracting states as of 2025, the New York Convention represents one of the most widely ratified multilateral commercial treaties in

history and the cornerstone of the international arbitration regime.

The legislative impact of the New York Convention has been profound. To fulfill their obligations under the Convention, contracting states have been compelled to reform their domestic arbitration laws, repeal provisions incompatible with the Convention's pro-enforcement bias, and enact new legislation facilitating the recognition of foreign awards. The UNCITRAL Model Law on International Commercial Arbitration, first adopted in 1985 and revised in 2006, has served as a legislative template adopted, with variations, by over eighty jurisdictions. The Model Law's influence illustrates how international arbitration institutions generate legislative blueprints that states voluntarily adopt to signal their commitment to the arbitration-friendly legal environment demanded by international commerce.

2.3 The Rise of Investor-State Arbitration

A distinct but increasingly prominent dimension of international arbitration is investor-state dispute settlement (ISDS), through which foreign investors bring claims directly against host states before international arbitral tribunals. The legal basis for such claims is typically found in bilateral investment treaties (BITs), regional investment agreements, or multilateral frameworks such as the Energy Charter Treaty. The International Centre for Settlement of Investment Disputes (ICSID), established under the Washington Convention of 1965 and administered by the World Bank Group, serves as the primary institutional home for investor-state arbitration, though claims are also frequently brought under UNCITRAL Arbitration Rules and other institutional frameworks.

Investor-state arbitration has grown dramatically since the 1990s. ICSID reported that the total number of registered cases has exceeded 900 as of recent years, with claims spanning virtually every sector of the global economy from energy and natural resources to healthcare, banking, and telecommunications. The substantive standards applied in these cases — including fair and equitable treatment, protection against expropriation, and full protection and security — have been interpreted and elaborated through a rich body of arbitral jurisprudence that now constitutes a de facto body of international investment law. The implications of these standards for domestic economic legislation are extensive and constitute one of the primary mechanisms through which arbitration catalyzes legal reform.

3. MECHANISMS THROUGH WHICH ARBITRATION STRENGTHENS ECONOMIC LEGISLATION

3.1 The Enforcement Imperative and Legislative Modernization

One of the most direct mechanisms through which international arbitration catalyzes legislative reform is the enforcement imperative generated by the New York Convention and related instruments. States seeking to participate meaningfully in the international arbitration system — and thereby signal their attractiveness as venues for investment and commerce — must ensure that their domestic legal frameworks are compatible with the Convention's requirements. This pressure has driven legislative modernization across regions, particularly in developing economies and transitional states seeking integration into the global economy.

The experience of states in Sub-Saharan Africa, Southeast Asia, and Latin America illustrates this dynamic vividly. Countries that previously maintained restrictive or ambiguous arbitration laws have enacted comprehensive arbitration legislation modeled on the UNCITRAL Model Law in response to demands from foreign investors and trading partners. Nigeria's Arbitration and Mediation Act of 2023, replacing legislation dating to 1988, represents a recent and instructive example of how international arbitration standards can catalyze comprehensive domestic law reform. The Act introduced provisions for emergency arbitration, third-party funding, and virtual hearings, bringing Nigerian arbitration law into alignment with contemporary international practice and signaling the country's ambition to become a leading arbitration hub in Africa.

3.2 The Normative Impact of Arbitral Jurisprudence on Investment Regulation

Investor-state arbitral tribunals, in the course of applying treaty standards to concrete disputes, generate normative interpretations that directly influence the content and drafting of domestic economic legislation. The doctrines developed through arbitral jurisprudence — particularly in relation to fair and equitable treatment, indirect expropriation, and regulatory stability — have had far-reaching consequences for how states design and implement their regulatory frameworks.

The concept of the legitimate expectations of investors, elaborated through a long line of arbitral awards beginning with cases such as Tecmed v. Mexico and Occidental v. Ecuador,

has introduced into domestic regulatory practice a heightened sensitivity to the manner in which legal frameworks are structured, communicated, and modified. States have learned, often at considerable financial cost through adverse awards, that abrupt regulatory changes, inconsistent administrative practices, and opaque legislative processes may expose them to international liability. This learning process has in many cases translated into substantive improvements in the quality and predictability of economic legislation, as states invest in better impact assessment, stakeholder consultation, and legislative drafting standards.

Similarly, the elaboration of standards governing the taking of property — particularly the distinction between compensable expropriation and legitimate regulation — has influenced how states design their investment laws, property rights regimes, and natural resource governance frameworks. The jurisprudential evolution in cases such as Methanex v. United States, Glamis Gold v. United States, and Philip Morris v. Uruguay has helped delineate the boundaries of permissible regulation, providing legislators with clearer guidance on how to design measures that achieve legitimate public policy objectives without triggering international liability. In this way, arbitral jurisprudence functions as a form of constitutional discipline, informing the substantive content of domestic economic legislation.

3.3 Treaty Drafting and the Legislative Standard-Setting Function

The interaction between international arbitration and domestic economic legislation also operates through the treaty-drafting process itself. As states negotiate bilateral and regional investment agreements, the arbitral interpretation of treaty standards in prior cases directly shapes the language and structure of new treaty provisions. States concerned about the expansive interpretation of fair and equitable treatment clauses, for example, have responded by drafting more precisely circumscribed provisions that link the standard explicitly to customary international law or enumerate specific commitments. The evolution of treaty language across successive generations of BITs and free trade agreement investment chapters reflects a sophisticated legislative response to arbitral jurisprudence.

This treaty-drafting dynamic has broader implications for domestic economic legislation. Modern investment agreements increasingly include provisions requiring states to maintain transparent, stable, and non-discriminatory legal frameworks for investment. These commitments create binding international obligations that must be reflected in domestic law and regulatory practice. The process of treaty implementation thereby provides a powerful

mechanism through which international arbitration standards are translated into domestic legislative requirements, strengthening the overall quality and coherence of the national economic legal framework.

3.4 Promoting Legal Certainty and Predictability

International arbitration also contributes to the strengthening of economic legislation through its emphasis on legal certainty and predictability. The legitimacy of arbitration as a dispute resolution mechanism depends critically on the consistency, reasonableness, and transparency of arbitral decisions. Over time, the accumulation of arbitral precedent — while formally non-binding under most arbitration rules — creates a body of expectations against which domestic laws are measured. Jurisdictions that aspire to be recognized as credible arbitration seats or as attractive destinations for investment must maintain legal frameworks that satisfy these expectations.

The competitive dynamic among arbitration seats provides an additional legislative incentive. London, Paris, Singapore, Hong Kong, and Geneva compete vigorously to attract international arbitration proceedings, and their continued success depends substantially on the quality of their national arbitration laws, the professionalism of their judiciary in supervising arbitral proceedings, and the efficiency of their court systems in enforcing awards. This competition drives continuous improvement in arbitration legislation and related areas of commercial law, creating positive spillover effects for the broader economic legal environment.

3.5 Institutional Capacity Building and Regulatory Reform

Beyond its direct normative influence, international arbitration catalyzes legislative reform through institutional capacity-building processes. International arbitration institutions, development organizations, and legal reform programs frequently provide technical assistance to states seeking to modernize their dispute resolution frameworks. UNCITRAL's legislative guidance notes, ICSID's capacity-building programs, and the World Bank's investment climate assessments all contribute to a global infrastructure for legal reform that is closely linked to international arbitration standards.

This technical assistance dimension is particularly significant for developing countries and states in transition, where legislative capacity may be limited and exposure to international

arbitration standards relatively recent. By providing model laws, training programs, and peer-review mechanisms, international institutions facilitate the diffusion of arbitration-friendly legislative standards across jurisdictions that might otherwise lack the technical resources to develop them independently. The result is a gradual convergence of domestic economic legislation toward internationally recognized benchmarks, strengthening the overall coherence and effectiveness of the global economic legal order.

4. CHALLENGES, CRITICISMS, AND REFORM DEBATES

4.1 The Legitimacy Deficit and Democratic Accountability

The expanding role of international arbitration in shaping domestic economic legislation has not been without controversy. Critics have raised fundamental questions about the legitimacy of a process in which a small cadre of private arbitrators, operating largely outside the structures of democratic accountability, exercises significant influence over national regulatory choices. The argument that investor-state arbitration constrains the regulatory autonomy of democratically elected governments — the so-called regulatory chill effect — has been particularly influential in public debates over trade and investment agreements.

The regulatory chill hypothesis posits that states, aware of the potential for costly arbitration claims, may refrain from enacting legitimate public interest measures — in areas such as environmental protection, public health, and financial regulation — for fear of triggering investor claims. While the empirical evidence for this effect remains contested, the perception of regulatory constraint has had tangible political consequences, contributing to popular resistance to trade agreements such as the Trans-Pacific Partnership and the Transatlantic Trade and Investment Partnership, and to a broader backlash against globalization. Addressing this legitimacy deficit is essential to sustaining the reformative potential of international arbitration in the longer term.

4.2 Inconsistency and Fragmentation in Arbitral Jurisprudence

A further challenge to the effectiveness of international arbitration as a catalyst for legislative reform is the inconsistency and fragmentation that characterizes arbitral jurisprudence. Unlike domestic court systems, which typically benefit from hierarchical

appellate review, international arbitration lacks a supreme appellate authority capable of ensuring doctrinal consistency across tribunals. The result is a body of jurisprudence marked by significant divergences on fundamental questions, including the scope of fair and equitable treatment, the standard for indirect expropriation, and the relationship between treaty obligations and domestic law.

This inconsistency creates difficulties for legislative drafters seeking to align domestic law with international arbitration standards. When different tribunals reach conflicting conclusions on identical or similar treaty provisions, the guidance available to domestic legislators is ambiguous at best and contradictory at worst. The fragmentation of investment arbitration jurisprudence has accordingly become a central preoccupation of international law reform efforts, with proposals ranging from the establishment of an appellate review mechanism for investment awards to the creation of a multilateral investment court under the auspices of the United Nations or the World Trade Organization.

4.3 Access, Cost, and the Asymmetry of Arbitration

The practical accessibility of international arbitration also raises important concerns for its role in promoting equitable economic development. International arbitration proceedings are notoriously expensive, with legal and arbitral costs in complex investor-state cases routinely reaching millions of dollars. This financial burden creates significant asymmetries, privileging well-resourced multinational corporations and developed states while placing developing country respondents at a structural disadvantage. The concentration of arbitral practice among a relatively small number of elite law firms and arbitrators from a handful of jurisdictions further reinforces concerns about the diversity and representativeness of the international arbitration community.

These structural asymmetries have implications for the legislative reform agenda associated with international arbitration. If the standards generated by arbitral jurisprudence primarily reflect the interests and expectations of capital-exporting states and large international investors, their suitability as templates for the domestic economic legislation of developing countries may be questioned. Reform proposals aimed at enhancing the inclusivity of international arbitration — including the development of regional arbitration centers, legal aid mechanisms for developing state respondents, and greater representation of diverse legal traditions in arbitral appointments — seek to address this systemic challenge.

4.4 The ISDS Reform Agenda

In response to these criticisms, a significant international reform agenda has emerged aimed at restructuring the investor-state dispute settlement system while preserving its core functions of investor protection and host state regulatory autonomy. UNCITRAL Working Group III has been engaged since 2017 in a comprehensive review of the ISDS system, examining reform options ranging from improvements to existing arbitral mechanisms to more fundamental structural changes including the creation of a multilateral investment court. The European Union has championed the investment court system, establishing standing courts with tenured judges in its trade agreements with Canada, Singapore, and Vietnam.

These reform initiatives are significant for the relationship between arbitration and domestic legislation in several respects. The move toward greater procedural transparency, including the Mauritius Convention on Transparency in Treaty-based Investor-State Arbitration, strengthens democratic legitimacy by ensuring that arbitral proceedings are accessible to civil society. The development of appellate mechanisms addresses the inconsistency problem and creates clearer normative guidance for domestic legislators. And the introduction of ethical codes and conflict-of-interest rules for arbitrators enhances the credibility and legitimacy of the arbitral enterprise as a source of normative guidance for domestic law reform.

5. COMPARATIVE REGIONAL PERSPECTIVES ON ARBITRATION-DRIVEN LEGISLATIVE REFORM

5.1 Asia-Pacific: Building Arbitration Hubs and Modernizing Commercial Law

The Asia-Pacific region provides some of the most compelling evidence of arbitration's catalytic role in legislative reform. Singapore's transformation into one of the world's leading arbitration centers is inseparable from its sustained legislative effort to create an arbitration-friendly legal environment. The International Arbitration Act, most recently comprehensively amended in 2020, incorporates the UNCITRAL Model Law, extends robust support from the domestic courts, and provides for the enforcement of emergency arbitrator decisions — innovations that have established Singapore as a preferred seat for arbitrations involving Asian parties. The establishment of the Singapore International Arbitration Centre (SIAC) and the Singapore International Commercial Court (SICC) reflects a coherent legislative and institutional strategy to capture the growing demand for dispute resolution services generated

by the region's economic dynamism.

China's engagement with international arbitration similarly illustrates the interplay between arbitration and legislative reform. The establishment of the China International Commercial Court (CICC) and the gradual opening of the Chinese market to foreign arbitration institutions reflect a deliberate legislative response to the demands of foreign investors and trading partners. The recent designation of Hong Kong as a preferred seat for Belt and Road Initiative disputes, coupled with reforms to the Arbitration Ordinance, demonstrates how geopolitical economic ambitions translate into specific legislative choices about dispute resolution infrastructure.

5.2 Africa: Emerging Arbitration Frameworks and Investment Law Reform

Across Africa, the development of international arbitration has been closely intertwined with the broader agenda of investment law reform. The Pan-African Investment Code, developed under the auspices of the African Union, and the reform of the OHADA Uniform Act on Arbitration in 2017 reflect continental efforts to develop coherent, modern arbitration frameworks that balance investor protection with host state regulatory autonomy. The Kigali International Arbitration Centre (KIAC) and the Cairo Regional Centre for International Commercial Arbitration (CRCICA) have emerged as important institutional players, providing African parties with accessible and credible dispute resolution alternatives to the established European and American centers.

The experience of African states in international investment arbitration has also driven legislative reform in the substantive domain of investment regulation. States such as South Africa, Tanzania, and Namibia have conducted comprehensive reviews of their bilateral investment treaty networks following adverse arbitral experiences, negotiating new treaties that more carefully preserve domestic regulatory space while maintaining credible investment protection commitments. South Africa's Protection of Investment Act of 2015, which substituted domestic mediation and litigation for investor-state arbitration in many contexts, represents a particularly significant example of how arbitration experience can catalyze fundamental reconsideration of the legislative framework for foreign investment governance.

5.3 Latin America: Tensions and Reforms in Investment Arbitration

Latin America's engagement with investor-state arbitration has been characterized by

significant tension between the demands of international investors and the assertion of national sovereignty over economic regulation. Several Latin American states — including Bolivia, Ecuador, and Venezuela — denounced the ICSID Convention in the late 2000s and early 2010s in response to adverse arbitral awards that were perceived as constraining legitimate regulatory choices. This denunciation wave prompted important legislative responses, including the renegotiation of BIT networks and the assertion of constitutional constraints on investment treaty commitments.

At the same time, many Latin American states have responded to their arbitration experiences by strengthening their economic legislation in ways that reflect arbitral standards. Colombia's investment legislation, shaped substantially by its participation in ICSID proceedings and its negotiation of trade agreements with the United States and the European Union, exemplifies how international arbitration exposure can drive legislative modernization. Peru's development of a sophisticated concession framework for infrastructure projects, incorporating dispute resolution mechanisms aligned with international arbitration standards, similarly illustrates how arbitration shapes economic legislation in ways that ultimately strengthen the regulatory environment for investment.

6. FUTURE TRAJECTORIES: INTERNATIONAL ARBITRATION AND THE EVOLUTION OF ECONOMIC LEGISLATION

6.1 Digitalization and the Transformation of Arbitral Practice

The rapid digitalization of economic activity presents both challenges and opportunities for the relationship between international arbitration and economic legislation. The emergence of digital trade, platform economies, and blockchain-based commercial transactions creates new categories of disputes for which existing legal frameworks were not designed. International arbitration institutions have responded with procedural innovations including fully digital hearings, electronic document management systems, and artificial intelligence-assisted case administration. These procedural developments are beginning to influence domestic legislation on electronic contracting, digital evidence, and online dispute resolution.

The integration of technology into arbitral practice also raises important questions about the substantive standards applicable to disputes arising from digital commerce, data governance, and algorithmic decision-making. As arbitral tribunals develop doctrines

applicable to these novel areas, their decisions will inevitably influence the legislative choices of states seeking to regulate the digital economy in conformity with international standards. The harmonization of digital economy legislation through arbitral norm development represents a significant emerging frontier in the relationship between arbitration and economic legislation.

6.2 Climate Change, Sustainability, and the Green Economy Transition

The global transition toward a sustainable, low-carbon economy presents one of the most significant challenges to the relationship between international arbitration and economic legislation. As states implement ambitious climate policies — including carbon pricing, fossil fuel phase-outs, and renewable energy mandates — investors in affected sectors have increasingly resorted to investment arbitration to challenge regulatory measures that diminish the value of their existing investments. The Energy Charter Treaty, in particular, has become a focal point for climate-related investment claims, with fossil fuel investors using its investor-state dispute settlement provisions to challenge government measures supporting the green energy transition.

This dynamic has generated intense debate about the relationship between investment protection commitments and the regulatory space needed to implement climate policy. Several European states have withdrawn from the Energy Charter Treaty, and efforts to modernize the Treaty's provisions to align with the Paris Agreement have advanced slowly. The legislative response to climate-related investment arbitration has included the incorporation of explicit carve-outs for environmental and climate measures in new investment treaties, the development of environmental counterclaims in investment arbitration, and the exploration of international frameworks that reconcile investor protection with climate action imperatives. These developments will significantly shape the evolution of economic legislation in the decades ahead.

6.3 Toward a Multilateral Investment Framework

The long-standing aspiration for a comprehensive multilateral framework for investment protection and dispute settlement has gained renewed momentum in recent years. The fragmented, bilateral architecture of international investment law — comprising thousands of individual treaties with inconsistent standards and overlapping dispute resolution provisions

— has been widely criticized as inefficient, unpredictable, and insufficiently attentive to development concerns. The establishment of a Multilateral Investment Court, currently under discussion in UNCITRAL Working Group III, would represent a transformative development with far-reaching consequences for the relationship between international arbitration and domestic economic legislation.

A multilateral investment court, equipped with a permanent roster of judges, an appellate mechanism, and binding precedential authority, would address many of the consistency and legitimacy challenges that currently limit the effectiveness of investment arbitration as a driver of legal reform. By providing clearer and more authoritative normative guidance, a multilateral court could strengthen the quality of domestic investment legislation while ensuring that investment protection standards evolve in a manner that reflects the interests of all stakeholders, including host states, investors, local communities, and the global public interest. The realization of this vision, while dependent on significant political will from major economies, would represent a qualitative transformation in the capacity of international arbitration to catalyze the strengthening of economic legislation.

7. CONCLUSION

International arbitration has evolved from a specialized mechanism for resolving commercial disputes into one of the most significant institutional forces shaping the global economic legal order. Through its enforcement frameworks, normative jurisprudence, treaty-drafting influence, and capacity-building functions, international arbitration exerts continuous pressure on domestic legal systems to modernize, harmonize, and strengthen their economic legislation. The evidence from diverse regions and legal traditions confirms that this catalytic function is real, substantial, and increasingly consequential for the governance of the global economy.

At the same time, the expanding role of international arbitration in shaping economic legislation raises legitimate questions about democratic accountability, legitimacy, and equity that cannot be dismissed. The challenge for the international community is to harness the reformative potential of arbitration while addressing its structural deficiencies — ensuring that the normative standards generated by arbitral practice are developed through processes that are inclusive, transparent, and responsive to the full range of interests implicated in the governance of the global economy.

The reform agenda currently underway — encompassing the development of multilateral investment courts, the strengthening of transparency requirements, the harmonization of treaty drafting practice, and the integration of sustainability considerations into investment law — reflects a growing recognition that international arbitration must evolve to remain legitimate and effective. If these reforms succeed, international arbitration can consolidate and expand its role as a catalyst for strengthening economic legislation, contributing to a global economic order that is not only efficient and commercially predictable, but also fair, sustainable, and democratically accountable.

The relationship between international arbitration and economic legislation is ultimately a reflection of the broader challenge of governance in a globalized world — the challenge of developing effective, legitimate, and equitable rules for a world in which economic activity transcends national boundaries while political authority remains primarily organized at the state level. International arbitration, at its best, offers a partial but indispensable response to this challenge, providing a mechanism through which global economic norms can be developed, applied, and enforced in a manner that respects both the diversity of national legal traditions and the imperatives of international economic integration.

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