

Does International Arbitration **ENHANCE** or **ENFEEBLE** Local Legal Institutions?

Tag Time

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Is international
arbitration a
tool for
development
or a vampiric
parasite?



The Critique

Investment arbitration undermines the development of local legal institutions and the domestic rule of law.

The Response

Investment arbitration has a symbiotic relationship that fosters development of local rule of law.



The process



B *International arbitration provides them with detailed laws, rules, and standards designed to promote effective arbitration*

Local legal professionals want to access the professional benefits of international arbitration



A



D

The reforms are more effective because they are implemented by local professionals for a specific purpose

Local professionals introduce legislative reforms, judicial training, reforms in legal education, and attorney training



C

Why it works?

1. Enlightened self-interest of well-positioned legal professionals who can successfully implement reforms into local legal system
2. It combines structural legal frameworks with detailed rules and standards that are tied to the nature of international adjudication





Rule-of-law reforms are more “sticky”
when there is buy-in by specific individuals
through training and
incentivized by professional opportunities

Conflicts

attorneys and arbitrators
trained in international
standards for conflicts of
interest are less likely to accept
much lower standards in
domestic arbitration or in
national court litigation

a judge trained to
accurately interpret
arbitration laws and
treaties does not
easily take a different
approach when
applying domestic
law

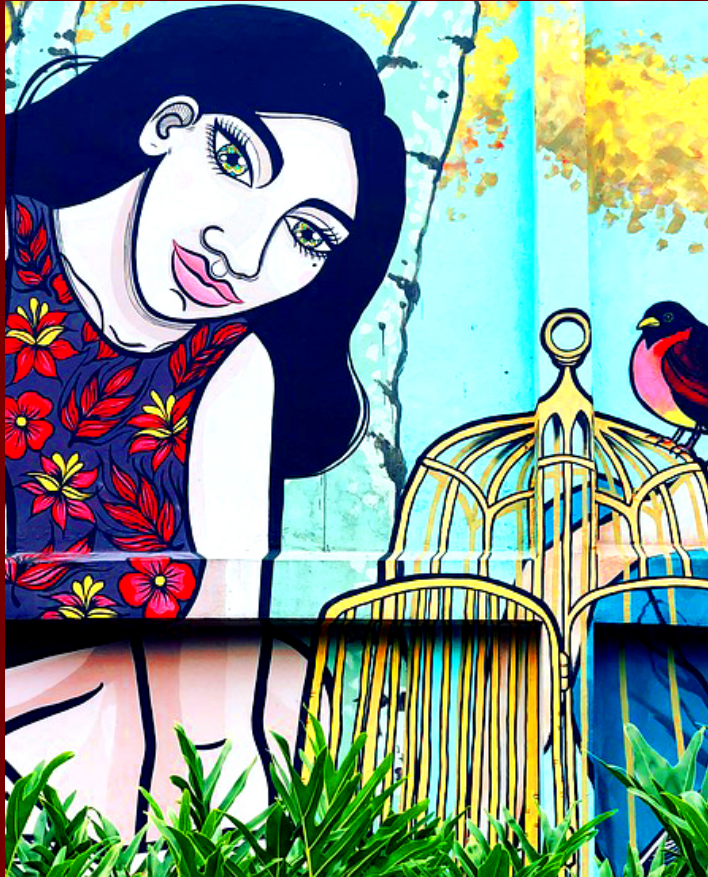
Judges

The
effects

Some case studies



Peru



Georgia



Your examples?

Future research



01

More case studies of how international arbitration can have a positive effect on the rule of law in a country

02

How can and does the international arbitration community learn from the expertise and insights of local professionals and their experiences?

03

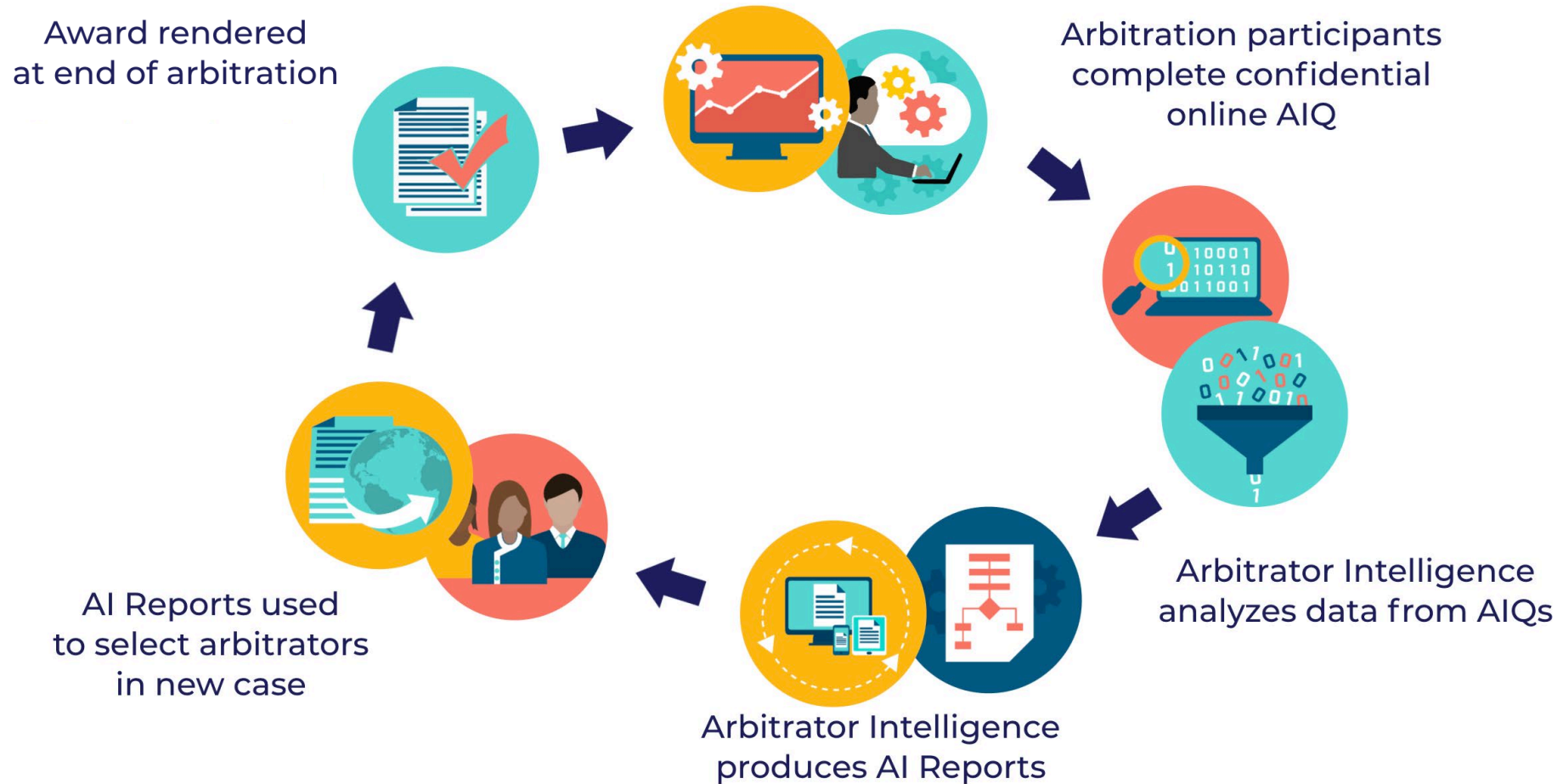
Can these ideas and efforts be turned to combat corruption?

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discussion

