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Innovation in International Arbitration: What Lies Ahead?

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ABSTRACT

"The richest love is that which submits to the arbitration of time.", Lawrence Durrell, a British novelist quoted, stating the momentousness of the utmost essence in the universe correlating it to arbitration. More than anything, it is the necessity of change. International arbitration has always been a product of necessity, with the expansion of global trade serving as the primary impetus for its creation. However, issues like apprehension about change, biases in algorithms for making decisions, and the requirement to strike a balance between innovation and core arbitration principles must be addressed. As soon as 'international arbitration' pops up in the discussion, plenty of questions baffle across the minds of the audience, such as – In today's world of artificial intelligence, popularly known as AI, how have technological advancements impacted the effectiveness and efficiency of international arbitration? What are the potential benefits and challenges of integrating virtual proceedings and various online platforms in the due process of international arbitration? The idea of innovation in international arbitration is examined in this article along with its implications for effective and flexible conflict resolution in a global setting. This research demonstrates the potential of innovation to change the landscape of international arbitration via the investigation of technical breakthroughs, procedural changes, and changing legal frameworks. International arbitration may reach its full potential and provide constructive, affordable, and enforceable conflict resolution for the global business community by embracing innovation. Pondering on another question, how can the training and education of today's arbitrators and lawyers be amplified such as to extensively utilize the innovative methods to be used in the arbitration process? The manuscript aims to shed light on all such questions and elucidate the readers' about the perquisites as well as impediments of the innovations and revolutions which have happened in international arbitration so far.

***Keywords**: Arbitration, international, commerce, dispute resolution, cross-border.*

I. INTRODUCTION

In the realm of international commerce and trade, effective dispute resolution mechanisms are

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essential for maintaining the stability and growth of global business transactions. Due to its adaptability, impartiality, and enforceability of verdicts, international arbitration has long been acknowledged as a favored means of settling cross-border conflicts. Particularly during the first and second industrial revolutions, the procedure underwent significant change and became a widely accepted technique of resolving disputes. Our time's recent industrial revolutions have had an analogous effect. With the introduction of disruptive technologies like AI, Virtual Reality (VR), and blockchain, the fourth (digital) revolution promises to be even more impactful for the globe as a whole. Global conflict resolution is changing as a result of these advances, particularly the quickening speed of digitization and how humans interact with data.

The procedure in which the parties concerned consensually agree to send their disagreement to a non-governmental decision-maker is the most widely recognized definition of arbitration. The decision-maker then conducts impartial adjudicative processes, allowing each party an opportunity to be heard, and ultimately rendering a binding ruling. As a result, the legal courts have no place in arbitration matters. Benjamin Franklin, one of the founding fathers of the United States of America, put forward a trailblazing question, *"When will mankind be convinced and agree to settle their difficulties by arbitration?"* This question was put henceforth as an argument against wars and violence, emphasizing the prominence of peace and prosperity among mankind. The necessity for innovation in international arbitration, however, is becoming more and more apparent as the complexity of global trade increases.

The present piece explores how technological developments have transformed international arbitration, concentrating on how procedural changes encourage innovation in this field. The goal of the paper is to examine new practices that try to speed up the resolution process without sacrificing fairness or due process, such as accelerated proceedings, summary judgement, and increasing use of written submissions. To handle the distinct challenges of international conflicts, international organizations, national legislatures, and arbitral institutions have acknowledged the necessity for adaptable and versatile dispute resolution systems. In light of the growing demands of the global business community, this article concludes that innovation in international arbitration is not only desirable but also necessary. International arbitration may reach its full potential by embracing technology improvements, enacting procedural changes, and modifying legislative frameworks, offering effective, affordable, and enforceable dispute resolution for international trade.

II. INTERNATIONAL ARBITRATION – CONEPTUALIZATION

Globalization has reduced distances between nations. Cross-border agreements have made it

possible for individuals from many parts of the world to collaborate and engage in a variety of business and non-commercial activities. In these situations, disagreements between those involved are a typical occurrence. International arbitration offers a rapid, economical, yet efficient way to settle disputes between parties of different countries. International (commercial) arbitration is frequently used in commercial, interstate, and foreign investment disputes. In essence, it entails the selection of an arbitrator, who is a third party appointed to resolve disputes between parties in accordance with a method agreed upon by the parties, outside the jurisdiction of domestic courts. Unlike domestic courts that apply a certain state's legislation, international arbitration offers a more impartial forum. On the other hand, arbitration tribunals are private organizations that are not constrained by local laws and are capable of handling disputes resulting from international business transactions. A **mandatory arbitration clause** might make using international arbitration necessary even when it is usually voluntary. **'Arbitration agreements'** are often made in advance by the parties. Such an arrangement is described in **Article II (1) of the New York Convention** as *"an agreement in writing under which the parties undertake to submit to arbitration all or any differences which have arisen or which may arise between them in respect of a defined legal relationship, whether contractual or not."*[2]

Absolute party autonomy is guaranteed by international arbitration, indicating that the parties can choose among themselves whether or not to send the dispute to arbitration. The parties must mutually agree to submit the matter to arbitration. **Article 8 of the United Nations Commission on International Trade Law (UNCITRAL) Model Law** stipulates that it shall only be utilized in situations where there is an agreement by the parties to submit all or certain disputes to arbitration, underscoring the significance of mutual consent.[3] Arbitration's unbiased and non-governmental decision-makers whose decisions are final and binding on the parties continues to be another crucial component. Peculiarly, the issue is resolved by a private 'arbitrator' or an arbitral institution that the parties themselves select. However, it does not apply to agreements on the choice of venue, implying that parties do not opt to have their issues heard by a particular national court. The implementation of impartial adjudicatory procedures giving each party a reasonable opportunity to put forward their case is the culminating and most crucial aspect of arbitration. In arbitration, a unilateral decision is not permitted. Arbitration is distinguished by the fact that the arbitrator first hears from both parties before

[2] Convention on the Recognition and Enforcement of Foreign Arbitral Awards, 1958, art. II(1) [hereinafter NY Conv. 1958].
[3] United Nations Commission on International Trade Law. UNCITRAL Model Law on International Commercial Arbitration 1985, with amendments as adopted in 2006, art. 8.

deciding about the case's merits. The parties may choose to incorporate "asymmetrical arbitration clauses," which specify that only one party may submit a dispute to arbitration and the other must go to court. 'Unilateral option arbitration clause' is a different acronym for it.

III. TECHNOLOGICAL ADVANCEMENTS

Stating facts by talking about technological developments and how they have drastically altered the practice of law. Technology is increasingly being used to aid in the practice of international arbitration. The goal for increased efficiency, including through technology has been identified by the arbitration community in particular as the element that is most likely to impact the development of international arbitration in the future. Global conflict resolution is changing as a result of these advances, particularly the quickening speed of digitization and how humans interact with data. The legal profession, including arbitration, shall feel the effect of technological advancements in AI and Legal Tech. As prospects have been compelled to look for alternatives to in-person hearings, the rise in the usage of virtual hearing rooms appears to be the outcome of how the arbitration industry has changed in reaction to the COVID-19 pandemic. In fact, the pandemic has already pushed arbitration as a process to be virtual *in toto* or for that matter, hybrid in some cases. International arbitration still makes extensive use of technology, notably "videoconferencing" and "hearing room technologies," although AI usage is still lagging behind other kinds of IT. Participants from various jurisdictions can participate remotely during virtual hearings because there is no need to physically travel there. During the pandemic, this technology has proven to be very useful since it allows for continuous dispute settlement despite travel limitations. Apart from virtual hearings, the handling and sharing of papers in international arbitration has also been made coherent and unambiguous by technology. Pleadings, evidence, and submissions can all be submitted online by the parties, minimizing the need for paperwork and streamlining the document review stratagem. Presently, an exclusive physical arbitration procedure is the exception rather than a prevalent norm. People are often intricated with inexplicable questions regarding technology when it comes to legal processes – What are the possible ethical repercussions and restrictions of utilizing technology, such as AI algorithms, in international arbitration decision-making processes? How has the development of technology-focused arbitral institutions and specialized arbitration rules impacted the promotion of innovation in international arbitration?

AI algorithms work by following predetermined rules and analyzing data, which may exclude nuanced human judgement. The loss of irrational thinking, empathy, and contextual understanding – all essential components of decision-making in complicated disputes – raises

concerns in light of this. International arbitration might benefit from a greater degree of transparency and security as a result of blockchain technology. The execution of contracts can be automated, transactions can be tracked, and tamper-proof verification of agreements or rewards may be provided through distributed ledger systems and smart contracts. Game theory is employed by Kleros, a blockchain-based online forum for dispute resolution, to persuade juries to reach the best verdict, and Smartsettle, a blind bidding system, to identify the best settlement for disputes. With the use of technology, witnesses can provide testimony remotely via video conferencing from different parts of the world. This increases efficacy and lowers travel and logistical expenses. The fundamental structure of conflict resolution systems is being revamped owing to these technologies.

Private arbitral adjudication replaces judicial litigation by directly facilitating access to justice for sophisticated litigants and indirectly promoting access to justice for individuals and small businesses through minimizing court backlogs. Parallel to this, arbitration can improve adjudication accessibility and skillfulness even further by integrating it to AI, Legal Tech, and other virtual platforms (**"Arbitration 2.0"**). It could be challenging or injudicious to refuse to utilize Arbitration 2.0 when it is adequately intelligent and the willingness to completely use it is present.[4]

IV. THE VIRTUAL REALITY

The pandemic has served as a catalyst to hasten the wider awareness and acceptance of virtual hearing rooms. There seems to be a rising assumption that procedural hearings and conferences will eventually always be conducted virtually. It is increasingly challenging to come up with a convincing justification for flying, often to another country, to attend a procedural hearing. In a similar vein, it is unclear why phone conversations rather than video conferencing have been seen as the norm. The opportunity to assess users' opinions of this procedural adaptation has just arisen as a consequence of their latest encounter with virtual hearings. The most significant benefit of virtual hearings is the potential for greater availability of dates for hearings, closely followed by greater efficiency through use of technology and greater procedural and logistical flexibility.

The variables that most alarmed respondents were the difficulty of accommodating multiple or disparate time zones, the perception that counsel teams and clients find it harder to communicate during hearing sessions, and potential difficulties with controlling witnesses and

[4] Derick H. Lindquist, *AI in International Arbitration: Need for the Human Touch*, HEINONLINE (2021).

determining their credibility.[5] According to a quarter of respondents, the biggest drawbacks of virtual hearings are the difficulty of accommodating multiple or disparate time zones and the perception that it is harder for counsel teams and clients to confer during hearing sessions, i.e., other than in breaks. Some of the respondents stated that it may be more difficult to control witnesses and assess their credibility. Concerns about technology included: Technical malfunctions and/or limitations (including unequal access to specific and/or dependable technology) among the drawbacks were harder for participants to retain concentrate owing to screen fatigue. While respondents overwhelmingly supported a mixed format for arbitration community gatherings and conferences, most interviewers emphasized the value of face-to-face interaction. They embrace the fact that offering online access to an event enables a large audience to participate, including individuals who would not have been able to do so otherwise. However, being there at an event in person fosters a feeling of community and offers networking possibilities that cannot be completely matched online. Contrarily, most respondents concurred that beyond possibly initial contact, in-person encounters with clients and experts or fact witnesses are seldom necessary. However, they also stated that the client's preference tended to have a significant role in determining whether in-person or virtual meetings were selected.

For practically all forms of contacts going future, including meetings and conferences, respondents would prefer a mix of in-person and virtual formats. Although respondents would prefer the option of in-person hearings over fully remote participation for substantive hearings, wholly virtual forms are narrowly favored for procedural hearings. The implementation of these technological developments has the potential to expand accessibility, lower costs, and boost productivity in international arbitration. Apart from the pros, it is critical to carefully consider possible issues with data security, cybersecurity, and the requirement for fairness and due process in technologically driven procedures. Many consumers were forced to migrate to virtual arrangements as a result of the pandemic. The experiences we have now with virtual hearings have offered a chance to analyze and learn from their use, regardless of whether people may opt to remain with distant forms of involvement or go back to the in-person model where and when practicable. This will inspire the arbitration community to adopt technology-driven change swifter in the not-so distant future. Therefore, arbitration and technology should, and eventually must, interact or synchronize.

[5] Stavros Brekoulakis, *Changes and Innovations in International Arbitration*, ARBITRATION: THE INT'L J. OF ARB., MED. & DISPUTE MGMT (2020).

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V. EVOLUTION OF LEGAL FRAMEWORKS

In light of commercial, trade, and investment disputes, as well as the resolution of investor-related inter-sovereign issues, arbitration has developed from an indigenous phenomenon to play an increasingly significant role worldwide. Abraham Lincoln, one of the most successful presidents of the United States of America avowed the prominence of arbitration by stating, *"Discourage litigation. Persuade your neighbors to compromise whenever you can. Point out to them how the nominal winner is often the real loser – in fees, and expenses, and waste of time. As a peacemaker, the lawyer has a superior authority of being a good man. There will still be business enough."* The sixteenth president focused on fostering arbitral proceedings by deterring court litigation as a retention of time, money and relations. The jurisdiction of arbitration has significantly increased over the last several decades to incorporate required legislation, which was formerly governed by the courts. With limited restrictions, it is widely accepted that disputes involving antitrust and competition laws, consumer protection laws, environmental protection laws, intellectual property laws, and insolvency are arbitrable subject matters.[6]

(A) Human Rights – Water Resources

Arbitrations including human rights problems have developed throughout time and are anticipated to continue to do so in the future given that governments are increasingly turning to foreign investors to privatize formerly public services like water supply. Based on the standards for economic and social rights that the States have agreed to, they have a duty to make certain that everyone within their jurisdiction has access to the minimal amount of these services that is required. They also have an obligation to respect, protect, and fulfil the human rights of the populace in all contexts, including those involving foreign investment and privatization. It is rightly said by Leonardo da Vinci, *"Water is the driving force of all nature."* In order to live a life with dignity, one ought to have access to water. Access to water is a requirement for the enjoyment of the right to an adequate standard of living **[Article 11 of Committee on Economic, Social and Cultural Rights (CESCR)]** and is inextricably linked to the right to the highest attainable standard of living, according to a non-binding interpretation released in 2002 by the United Nations Committee on Economic, Social, and Cultural Rights (UNCESCR), the treaty body that interprets the legal obligations of State parties to the CESCR.[7] The UNCESCR defines the right to water clearly as follows:

[6] Kun Fan, *Expansion of Arbitral Subject Matter: New Topics and New Areas of Law,* SSRN (2018).
[7] Committee on Economic, Social and Cultural Rights, art. 11, (hereinafter CESCR).

> *"The human right to water entitles everyone to sufficient, safe, acceptable, physically accessible and affordable water for personal and domestic uses."*

In the 1990s, cases like ***Lopez Ostra v. Spain*** and ***Guerra v. Italy*** successfully raised these human rights concerns before the European Court of Human Rights (ECHR) in relation to the pollution caused by waste treatment facilities and fertilizer companies.[8] The ECHR emphasizes that a State has an affirmative responsibility to take measures that would clinch the enjoyment of the individual rights to private life and property, even if in both cases the States were not directly at flaw for the pollution.[9] For it to operate the waste management facility, the municipality has to reconcile its interests with those of the people, who have a right to respect their residences, personal space, and family life. The ECHR is not a suitable forum to file a lawsuit against the polluting firms since international human rights instruments only impose international law responsibilities on the State party and do not impose any direct legal requirements on corporations. Arbitration has been implemented as an alternate forum to address such issues, including businesses' claimed infringement of human rights, such as the right to water, instead of extravagant, verbose public trials in domestic courts.

(B) Public Health

Arbitration is also becoming more prevalent in domestic public health laws. One such instance is the States' escalating regulatory measures for tobacco control, which are in response to the mounting evidence of tobacco's catastrophic impact on public health. Increased public health regulations by States and the rights to intellectual property granted to companies by international investment agreements have become tense as a result.

The recent and ongoing arbitration between Philip Morris Asia Limited (PMA) and the Commonwealth of Australia serves as the greatest case study for this conflict. The Tobacco Plain Packaging Act 2011 (the Act) gained royal assent on December 1 and went into effect in Australia. As smoking is one of the leading causes of preventable death and disease in Australia, the Australian government claims that "the Act forms part of a comprehensive range of tobacco control measures to reduce the rate of smoking in Australia and is an investment in the long-term health of Australians." The Act mandates that the new packaging regulations for Australia must be escorted by all tobacco products supplied there. These regulations prohibited the use of trademarks other than the name of the product on the retail packaging of tobacco products. They also prohibited the use of logos, colors, patterns, and other distinguishing

[8] Lopez Ostra v. Spain, [1994] ECHR 46, (1995) 20 EHRR 277.
[9] Guerra v. Italy, [1998] ECHR 7.

branding aspects. Cigarette packaging is required to have sizeable, more graphic health warnings that take up 75% of the front and 90% of the rear of the pack. In response, Project Management Agreement (PMA) filed an arbitration complaint with the Permanent Court of Arbitration against Australia, contesting the 1993 Hong Kong-Australian Bilateral Investment Treaty's tobacco plain packaging law. The PMA specifically contends that Australia's tobacco plain package laws unfairly and unjustifiably prevent legitimate companies from utilizing their logos and trademarks to market their goods. In light of this, PMA asserts that such actions amount to expropriation and violate the Bilateral Investment Treaty (BIT's) requirements that the government treat foreign investors fairly and equally, providing them unabridged safety and security. Australia may potentially have a strong argument, claiming that it is abiding by international tobacco control accords and has a responsibility to protect the health and welfare of its population. The matter-at-hand was considered before a three-person arbitral tribunal.

Aforementioned case shows how the domestic and international systems may clash: Australian law regarding simple packaging may be legal under the local legislation but contravenes the Hong Kong-Australian BIT and other international legal commitments. In the arbitration, PMA asks the Tribunal to halt the Act and grant significant damages for the economic harm that plain packaging will bring about by commoditizing the Australian cigarette industry. Arbitrators essentially participate in a sort of judicial law making by making such decisions.

The most recent developments show how international arbitration law has merged with various branches of substantive law, including human rights, environmental, intellectual property, and investment law. On many of the contentious topics, academics, decision-makers in policy, arbitrators, practitioners, and parties have failed to reach consensus. More work is required to create a harmonized legal framework for the swift and equitable resolution of international conflicts, to strike a balance between public and private interests, to improve accountability and transparency, and to advance commendatory global governance.

The expansion of arbitration's purview is seen as a development in dispute resolution that is a crucial component of new constitutionalism and neoliberal discipline from a theoretical standpoint, and it also serves as a specimen of the revolving door between public and private, between state and non-state, between formal and informal spheres. We need to interact with a substantial community of researchers to address these difficulties, including historians, economists, legal theorists, social-legal scholars, environmentalists, human rights scholars, and arbitration experts. Future study, contemplation, and collaboration in the area of arbitration, globalization, and beyond will require more cross-jurisdictional and multidisciplinary collaborations.

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VI. INTERNATIONAL ARBITRATION SURVEY

International arbitration is a dynamic area by its very nature. Because of its flexibility and party autonomy, it may evolve over time to meet the demands of its users. Information security, diversity, technology, and environmental concerns have all received more attention in recent years. The COVID-19 epidemic has also made communication within the international arbitration community more difficult. The survey titled **'Adapting arbitration to a changing world'**, the **2021 International Arbitration Survey ("the Survey")** examines how international arbitration has changed to meet these new needs and conditions. The Survey looks at changing user preferences and opinions and identifies areas where international arbitration might improve its adaptability. The area of international arbitration has changed significantly and in a variety of ways during the past 35 years, notably in terms of legislation, jurisprudence, and practice. The 2021 study, which was timely, set out to conduct an empirical evaluation of the growth of international arbitration and suggest elucidative areas for augmentation through the eyes of a broad and diversified pool of stakeholders. A broad spectrum of individuals involved in international arbitration, including in-house lawyers from both the public and private sectors, arbitrators, private practitioners, representatives of arbitral institutions and trade associations, academics, experts, and third-party funders, were consulted for their opinions. It looks over various aspects of international arbitration such as current choices and future adaptations, array of arbitral tribunals, institutions governing international arbitration, preference of seats concerning international arbitration and many other aspects.

(A) The Status Quo

According to the 2021 survey, **90%** of respondents said that international arbitration, either **alone (31%)** or in **conjunction with ADR (59%)**, is the most preferred way to settle cross-border issues.[10] This choice has consistently been the most popular way to settle cross-border disputes in previous surveys. Merely a combined 4% of respondents chose "ADR only" or "cross-border litigation" as their only choice, while 6% indicated they favored "cross-border litigation along with ADR". These results once again demonstrate a discernible rise in the general acceptance of arbitration used in conjunction with ADR over previous years: 59% of respondents indicated their preference for this pairing, compared to 49% in 2018 and just 34% in 2015. The post-COVID-19 scene was specifically mentioned in the question, although the pandemic had no impact on the results. Their decision-making criteria remained basically

[10] Queen Mary University of London, *2021 International Arbitration Survey: Adapting arbitration to a changing world*, WHITE&CASE (2021).

unchanged.

In general, it was stated that using ADR before turning to arbitration was done so in the hopes of achieving a quicker and more affordable result. The use of ADR is frequently required by contract, generally through multi-tiered escalation provisions. It was established that there was a significant desire to investigate workable alternatives to resolve problems, even when there is no contractual duty to do so. Additionally, there are established procedures for turning to alternative conflict resolution methods in particular types of disputes. For instance, respondents with expertise in disputes in the construction operations gave flattering observations regarding the usage of dispute boards in that field. They outlined how conflict resolution and dispute review panels are frequently utilized in building projects. In certain circumstances, the contract calls for dispute boards to take the shape of permanent organizations tasked with keeping an eye on the projects. Several interviewees stated that they have discovered conflict boards to be a good, effective, and frequently less expensive dispute resolution tool that has helped their customers avoid drawn-out and time-consuming arbitrations. Another method of disagreement prevention mentioned was the deployment of permanent dispute boards. The fundamental issue raised, however, was the fact that dispute boards' rulings are typically not upheld in court. This implies that if a result is not agreed upon by both parties, the parties "will be back to square one" and may have to undergo additional, onerous arbitration hearings for the same issue.

(B) **Institutions and alliances**

International arbitration is governed by a number of international treaties. Arbitrations conducted in signatory nations are subject to these treaties. Institutions in the international arbitration environment have undergone substantial changes throughout time, reflecting the changing demands and preferences of the global business world. As per the 2021 International Arbitration survey, the five most preferred arbitral institutions are the **International Chamber of Commerce (ICC)** by a significant margin of **77%**, followed by the **London Court of International Arbitration (LCIA)** by a partial margin **(51%)** and **Hong Kong International Arbitration Center (HKIAC)** which is **27%**, followed by the **Singapore International Arbitration Center (SIAC)** and the **Stockholm Chamber of Commerce (SCC)**. The ICC and the LCIA have been the acknowledged market leaders for the top two options for well over a decade, and the most recent data indicates that this is not likely to alter very soon.[11]

The ICC Rules of Arbitration, which are regularly updated, are a collection of rules for international arbitration established by the International Chamber of Commerce's International

[11] Id. At 9.

Court of Arbitration. It is not an arbitrator or a court. Instead, it is a supervisory body that appoints arbitrators as an administrative entity. It is also in charge of reviewing and approving arbitral awards. Its president, vice presidents, and members are chosen by the ICC World Council to serve terms of three years. The ICA is granted some decision-making authority when the parties opt to consult it.

Most of the time, respondents' preferences for particular institutions are influenced by how well administered they are and how internationalized they are. Distinguishing characteristics that are exclusive to an institution are viewed as less significant. The recognition and reputation of an institution are crucial to its commercial attractiveness. Because of that institution's reputation and their prior interactions with it, respondents will choose that institution. According to respondents, the HKIAC has made the largest improvements among arbitral institutions (during the last five years), followed by the SIAC, ICC, and LCIA. The most prevalent option for ad hoc arbitration is the UNCITRAL Arbitration Rules.[12]

(C) Seats – Nucleus

Choice of arbitral seat is a key issue for users of international arbitration. Respondents identified almost 90 distinct seats from a variety of countries throughout the world, reflecting the worldwide scope of international arbitration. Despite the large number of alternatives accessible to users of international arbitration, the top-five preferred seats have remained consistent over time from preceding surveys. However, there has been substantial movement among the top-five rankings. For the first time, **Singapore and London**, both of which were chosen by **54%** of respondents as among the top five cities to visit, share the top spot on the lists, with London once again holding the number one position. The success of Singapore, one of the major Asian arbitral centers, is matched by **Hong Kong**, which comes in third place with **50%** of the votes cast. Following **Geneva** in fifth place (**13%**), Paris comes in fourth (chosen by **35%** of respondents). Reviewing the outcomes from polls from 2015, 2018, and the present suggests that these cities have solidified their status as top destinations. Given that each of them has a well-established and reputable reputation as a "safe seat" for international arbitration, this is probable to be anticipated. Owing to the 2018 International Arbitration survey, the most prominent five arbitral seats were in London, Paris, Singapore, Hong Kong, and Geneva. The lone distinction between the current rankings and those from 2015 is the **ten percent (10%)** disparity between Singapore and Hong Kong's positions, which had caused them to trade spots. This constancy was a blatant sign that these seven seats had established a great reputation

[12] Queen Mary University of London, *2018 International Arbitration Survey: The Evolution of International Arbitration*, WHITE&CASE (2018).

among people. But with Brexit on the horizon, there's a chance that the chemistry between this long-standing pair could shift. The main changes that would make other arbitral seats more desirable include "greater support for arbitration by local courts and judiciary," "increased neutrality and impartiality of the local legal system," and "better track record in enforcing agreements to arbitrate and arbitral awards." More than half of the respondents are of the opinion that the use of London as a seat is unlikely to be affected by Brexit. They think that its "formal legal structure" will probably not alter and will still support arbitration. **70%** are convinced that if Brexit has any negative effects on London, Paris will be the one that will benefit the most from these changes. The increase in popularity of seats in this region year over year may be due to parties with financial interests there being more ready to settle problems "locally." While the remaining seats rounding out the top seven in both 2015 and 2018 — especially, New York and Stockholm — continue to be regarded as safe possibilities by respondents, seats in other locations have grown in popularity. **Beijing** and **New York** are tied for sixth place, with **12%** of respondents choosing each. **Shanghai** comes in at number eight **(8%)**, while **Stockholm** drops to number nine **(6%)**, from where it had previously held seventh place. The final city in the top 10 is **Dubai**, which garnered **5%** of the votes. Zurich, Vienna, Washington, DC, Miami, Shenzhen, So Paolo, Frankfurt, and The Hague were among the additional cities that received mentions from **4%** to **2%** of respondents.

(D) Faces of diversity

More than half of respondents concur that during the previous three years, progress has been achieved in achieving gender diversity on arbitral courts. Less than one-third of respondents, however, think that there has been improvement in terms of ethnic, racial, and cultural variety. There is controversy among respondents as to whether there is a link between a tribunal's diversity and members' opinions of the independence and impartiality of the arbitrators. More than **one third (37%)** of respondents had a neutral stance, while just **over half (56%)** claimed that diversity within an arbitral tribunal has a favorable impact on their assessment of the arbitrators' independence and impartiality. Others believe the inquiry is unnecessary since the push for more diversity already has sufficient rationale. The significance of appointment authorities and arbitral institutions in fostering diversity is still highlighted by **59%** of respondents, particularly through the development of explicit rules that encourage and appoint arbitrators who are diverse. However, almost half of respondents—who listed "commitment by counsel to suggesting diverse lists of arbitrators to clients" among their answers—highlighted the relevance of the role of counsel. On top of that, it is the responsibility of in-house attorneys to promote diversity through the selection of arbitrators.

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Many respondents acknowledged that there should be more support for initiatives like "education and promotion of arbitration in jurisdictions with less developed international arbitration networks," "more mentorship programs for less experienced arbitration practitioners," and "speaking opportunities at conferences for less experienced and more diverse members of the arbitration community." These initiatives could help to increase the visibility of diverse candidates. Building exposure is especially crucial in light of the notion that users like arbitration candidates they are familiar with or have worked with in previous periods. The vast majority of respondents recognized that it is essential to proceed with proper care when examining whether changes in arbitral practice brought on by the COVID-19 outbreak may have an influence on the goals of promoting diversity because such effects can occur both ways. Virtual meetings, events, and hearings may make it easier for a more varied range of participants to participate, but this may be hampered by unequal access to technology and the difficulties of establishing relationships online.

VII. CONCLUSION

In a nutshell, the notion of innovation in international arbitration has become the driving force behind development and advancement in the field of dispute resolution. This article has examined the various facets of innovation, including technical developments, procedural changes, and developing legal frameworks. International arbitration has the potential to solve the constraints presented by contemporary cross-border disputes by leveraging the power of innovation, opening up effectiveness, versatility, and mobility in the settlement procedure.

International arbitration has undergone a technological revolution as a result of internet platforms, data analytics, and AI algorithms that streamline case administration, improve decision-making, and lower costs. These changes adhere to due process requirements and uphold the integrity of the arbitration process while addressing the needs for rapidity and efficacy. On top of that, to meet the unique requirements of various industries and offer specialized knowledge, growing legal frameworks, including specialized arbitration rules and technology-focused institutions, have welcomed innovation. The promotion of innovation and the efficiency of international arbitration have also been enhanced by the harmonization of legal norms across jurisdictions and the essential role of international organizations. To address the challenges and possible constraints of creativity, nevertheless, is essential. Careful consideration is needed when dealing with resistance to change, biases in algorithms, and the requirement to find a balance between innovation and core arbitration principles.

International arbitration can intercept its full potential as a preferred tool for resolving

international conflicts by embracing innovation. The four pillars of international arbitration—efficiency, cost-effectiveness, enforceability, and adaptability—serve the demands of the world's business community. In order to maintain a reliable and dependable process for resolving conflicts in the contemporary world, arbitration must continually change along with the landscape of international commerce. Innovation in international arbitration is not only an appealing vision; it is also a crucial reaction to the needs of a world that is changing quickly. International arbitration may effectively address the complexities of cross-border conflicts, improve efficacy, and adapt to the ever-changing demands of the global business community through technology breakthroughs, procedural alterations, and a developing institutional environment. International arbitration may keep playing an integral part in promoting peace, stability, and trust in international trade by embracing innovation.

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