

The Organizational Development of Arbitration in Arab Countries: Between Legislation and Practice

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Abstract

Arbitration has become an essential method of resolving international commercial and investment disputes, providing parties with a flexible, independent, and expeditious alternative to litigation before domestic courts. In Arab countries, arbitration occupies a particularly significant position as governments and businesses increasingly rely on it to support economic growth, attract foreign investment, and facilitate cross-border trade. The organizational development of arbitration in the region, however, reflects a complex interaction between legislative reforms and the realities of practical implementation.

Despite these legislative improvements, key challenges include excessive judicial intervention, inconsistent enforcement of the arbitral awards, inconsistencies in procedural rules, and varying levels of institutional development continue to affect arbitration practices across Arab jurisdictions. Besides, the socio-political factors, legal traditions in civil and Sharia law, and the capacity of the arbitration institutions play a pivotal role in shaping how arbitration operates in practice.

This paper explores the organizational development of arbitration in the Arab world, analyze institutional structures, and assess the effectiveness of arbitration systems in bridging the gap between legislative frameworks and real-world practice. It contributes to a deeper understanding of the evolving arbitration landscape in the Arab world and propose recommendations for enhancing its role as a reliable dispute resolution mechanism.

1. Introduction

In recent decades, arbitration has become a popular method of settling business and investment disputes across the Arab world. Many Arab nations have made major reforms to update their arbitration frameworks in response to globalization, economic diversification, and the growing demand for investor-friendly legal environments.

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In the past, Arab societies heavily relied on tribal and traditional methods for resolving disputes, which were frequently influenced by Sharia and customs.

Although these strategies were successful in preserving social cohesiveness, the growth of international trade, foreign direct investment, and integration into global economic systems has made the switch to contemporary arbitration models that comply with international norms necessary. From innovative jurisdictions like Egypt and the United Arab Emirates to others still negotiating structural and procedural reform, the legislative landscape in the Arab world represents a broad range of development. Many Arab nations have created national arbitration centers, ratified the New York Convention, and enacted contemporary arbitration laws. But when these frameworks are put into practice, they frequently show enduring flaws like judicial meddling, a lack of institutional strength, and an undeveloped arbitration culture.

2. Legal Foundations and the evolution of Modern Arbitration

By the mid-20th century, several Arab nations had incorporated arbitration rules in their procedural laws. The strong influence of civil law traditions carried over from colonial legal systems, like French or Ottoman models,⁵ was frequently evident in these early frameworks. Even though arbitration had official recognition, these laws placed strong restrictions making it less useful in practice. For example, courts kept close control over the arbitral process and frequently required approval to appoint arbitrators or to validate arbitration agreements. Additionally, arbitrators' authority was frequently limited, and they either had no authority or had limited authority to establish procedural rules or provide temporary relief.⁶

These restrictions made it more difficult for arbitral tribunals to operate independently and deterred parties from choosing arbitration as their preferred means of resolving disputes. Many Arab nations started updating their arbitration laws by the early 2000s aiming at modernizing their legal frameworks, attract foreign investment, and bring them into compliance with international norms. These reforms, which were influenced by the UNCITRAL Model Law, placed a strong emphasis on limited court intervention, procedural neutrality, and party autonomy. The recognition of arbitrators' jurisdictional authority, the enforceability of arbitration agreements without court approval, and the expedited enforcement of awards were among the major advancements. This was a turning point that increased the legitimacy of Arab arbitration jurisdictions. A wider regional commitment to standardized, investor-friendly dispute resolution procedures was also indicated by growing adherence to international agreements like the 1958 New York Convention.

2.1 Traditional Dispute Resolution Mechanisms

The Arab communities used to settle conflicts based on tribal customs, and customary norms prior to the development of modern legal systems. While Islamic law acknowledged arbitration (tahkim⁷) within religious bounds, tribal leaders and elders placed a strong emphasis on social harmony and reconciliation. Although the

⁵ Ottoman law, specifically the Sharia and Kanun (secular law), had a complex and multifaceted impact on the Arab world during Ottoman rule.

⁶ Nayla Comair-Obeid, Salient Issues in Arbitration from an Arab Middle Eastern Perspective, 2 Arb. Brief 67 (2012)

⁷ "Tahkim" primarily refers to arbitration or mediation, particularly within the context of Islamic law and legal systems. It can also denote the process of appointing an arbiter or judge to settle a dispute. In essence, it's a mechanism for resolving conflicts outside of formal court proceedings.

legitimacy and effectiveness of these unofficial, community-based approaches were acknowledged, they were insufficient for intricate business or global disputes. Traditional systems were replaced by formal arbitration frameworks that were more appropriate for the legal and economic demands of the modern Arab economies.⁸

2.2 Transition to Modern Arbitration Models

Due to colonial legacies, comparative legal models, and integration into international trade, Arab nations progressively adopted codified arbitration systems in the 20th and 21st centuries. Early arbitration laws, most notably in Egypt, were influenced by civil and mixed legal traditions, especially from French and British systems. Reforms supporting impartial, effective dispute resolution were prompted by economic modernization and the need to draw in foreign investment. Numerous Arab nations ratified international agreements such as the ICSID and the New York Convention, which led to the establishment of arbitration centers and legal revisions. These advancements laid the groundwork for contemporary arbitration in the area, notwithstanding obstacles like judicial opposition and inadequate infrastructure.

3. Key Legislative Developments in the Arab World

Many Arab countries have improved their arbitration laws in recent decades to bring them into compliance with international norms and encourage investor confidence. Across the region, Arab jurisdictions have increasingly aligned their arbitration laws with the UNCITRAL Model Law, while each country followed a unique legislative path shaped by its political, legal, and economic context, a common shift toward codified, arbitration-friendly framework has emerged.

3.1 United Arab Emirates (UAE)

In terms of arbitration reform, the UAE has become a regional leader. An important turning point in the nation's legal history was the passage of Federal Arbitration Law No. 6 of 2018. This law eliminated the antiquated clauses that had previously been incorporated into the UAE Civil Procedure Code and was closely aligned with the UNCITRAL Model Law. It brought in contemporary concepts like the competence-competence doctrine, the autonomy of the arbitration agreement, and provisions for temporary relief.

Crucially, a variety of institutional options are made possible by the UAE's dual legal systems (free zones and onshore). World-class arbitration services are offered by the Abu Dhabi Global Market (ADGM⁹) Arbitration Centre, which functions under English common law, and the Dubai International Arbitration Centre (DIAC¹⁰), which was recently reorganized and reopened. These facilities have contributed to the UAE's reputation as a major international center for resolving disputes, particularly in industries like finance, energy, and construction.¹¹

⁸ Siraj Sait & Hilary Lim, *Law, Land and Islam: Property and Human Rights in the Muslim World* (Zed Books 2006)

⁹ The ADGM Arbitration Centre further augments and enhances the arbitration infrastructure and landscape in MENA with its outstanding service offering and facilities, raising the standards of dispute resolution and business confidence in the region

¹⁰ The Dubai International Arbitration Centre (DIAC), established in 1994 by Dubai Chambers, is the region's largest independent, non-profit centre for alternative dispute resolution. It administers arbitration, mediation, and other methods to help parties of all nationalities settle commercial disputes outside the courts.

¹¹ Charlotte Steele (née Leith) & Wissam Dagher, *New UAE Federal Arbitration Law Welcomed as Qualified Success* (2018)

3.2 Saudi Arabia

Saudi Arabia has made significant progress in modernizing its arbitration system as part of its Vision 2030 economic diversification program. Its Sharia-bound legal framework was superseded by the Arbitration Law of 2012, which was modeled after the UNCITRAL Model Law. In a significant shift from previous practice, this new law limits judicial interference and encourages procedural flexibility.

Through training and awareness campaigns, the Saudi Center for Commercial Arbitration (SCCA¹²) actively promotes alternative dispute resolution (ADR) while operating under a contemporary set of arbitration rules.

Notwithstanding these developments, there are still issues with the actual implementation of arbitral awards, especially when it comes to upholding the principles of Islamic law. Saudi Arabia's initiatives, however, represent a definite change in policy in favor of arbitration as a practical and trustworthy means of resolving disputes. Although the legal system is still based on Sharia law, Saudi Arabia has made a significant effort to balance tradition with global business standards with its recent arbitration reforms.¹³

3.3 Egypt

Egypt is frequently recognized as the Arab world's forerunner in the reform of arbitration. One of the earliest in the region to implement a comprehensive arbitration framework based on UNCITRAL principles was its Law No. 27 of 1994 on Arbitration in Civil and Commercial Matters. As long as the parties consent to its application or the seat is in Egypt, the law is applicable to both domestic and international arbitration.

The Cairo Regional Centre for International Commercial Arbitration (CRCICA¹⁴), one of the most significant arbitration organizations in the Global South, is also located in the nation. Under the aegis of the Asian-African Legal Consultative Organization (AALCO¹⁵), CRCICA was founded in 1979 and has since established a solid reputation for impartiality, effectiveness, and regional leadership. Despite sporadic setbacks brought on by varying interpretations or protracted procedures, Egypt's judiciary has generally shown support for arbitration.

3.4 Other Arab Jurisdictions

Several other Arab countries have also taken notable steps toward arbitration modernization:

3.4.1 With significant inspiration from the UNCITRAL Model Law, Qatar enacted Law No. 2 of 2017 on arbitration in civil and business disputes. The nation's international ADR profile is raised by the Qatar International Court and Dispute Resolution Center (QICDRC) and the Qatar International Arbitration Center.

¹² SCCA is an international, non-profit arbitration center in Saudi Arabia. It provides ADR services that adhere to the best international standards and practices, within a rigorous institutional framework that ensures easy access to justice for businesses - locally, regionally, and internationally.

¹³ Othman Altamimi & Co, Arbitration in the Kingdom of Saudi Arabia: A Modern Legal Landscape

¹⁴ An independent non-profit international organisation established in 1979 under the auspices of the Asian African Legal Consultative Organization (AALCO)

¹⁵ The Asian-African Legal Consultative Organization (AALCO), originally known as the Asian Legal Consultative Committee (ALCC), was constituted on 15 November 1956. It is considered to be a tangible outcome of the historic Bandung Conference, held in Indonesia, in April 1955.

3.4.2 The UNCITRAL Model Law is fully incorporated into Bahrain's Arbitration Law No. 9 of 2015. In collaboration with the American Arbitration Association (AAA), Bahrain is also home to the Bahrain Chamber for Dispute Resolution (BCDR-AAA¹⁶).

3.4.3 Jordan established a contemporary arbitration system with Law No. 31 of 2001, and its courts typically uphold the independence of arbitration agreements and rulings. An important institutional function is played by the Amman Chamber of Commerce Arbitration Center.

3.4.4 Law No. 93-42 of 1993, which incorporates numerous Model Law elements, updated Tunisia's arbitration legislation. In order to support its changing legal system, Tunisia keeps building up its institutional capacities.

3.4.5 Although Algeria has progressively implemented reforms, such as clauses acknowledging the legitimacy of arbitration agreements and arbitral awards in the 2008 Civil and Administrative Procedure Code, the country is still more conservative. However, more institutional development and legal modernization are still required.

Both divergence and convergence can be seen in the legislative developments throughout the Arab world. Others still suffer from uneven enforcement, antiquated laws, or a lack of institutional resources, while other nations—like the United Arab Emirates, Egypt, and Saudi Arabia—have become regional leaders thanks to their arbitration-friendly legislation and helpful judicial systems. Nonetheless, the general trend in the region is encouraging, as more nations are enacting or updating their legal frameworks to conform to global best practices in order to support arbitration as a reliable and efficient method of resolving disputes.¹⁷

4. Growth of Arbitration Institutions

A key milestone in modernizing the Arab world's legal systems has been the rise of arbitration institutions. While laws laid the groundwork, it's these institutions that brought arbitration to life—raising professional standards, improving procedures, and shifting the region from court-heavy, ad-hoc dispute resolution to more structured, independent, and globally connected practices.

4.1 National Arbitration Centers: Building Local Capacity

The Arab world has witnessed a growing states' interest in holding, overseeing, and profiting from arbitration proceedings within the national borders is reflected in the creation of national arbitration centers. These centers frequently appear as a component of larger plans to improve the rule of law, draw in capital, and localize the settlement of disputes.

It resulted in a significant growth in arbitration institutions, with Egypt's CRCICA, founded in 1979, leading as a pioneer by handling thousands of cases and training generations of arbitrators. The UAE has integrated arbitration into its business framework through centers like Dubai's DIAC and Abu Dhabi's ADCCAC,¹⁸ complemented by

¹⁶ BCDR regularly organizes international arbitration and mediation conferences, bringing together leading regional and international dispute resolution practitioners, academics and policymakers. BCDR also participates, on behalf of the Kingdom of Bahrain, in the working sessions of the UNCITRAL Working Groups.

¹⁷ Cherine Foty, *The Evolution of Arbitration in the Arab World* (July 1, 2015), Wolters Kluwer Arbitration Blog

¹⁸ ADCCAC arbitration refers to the dispute resolution process administered by the Abu Dhabi Commercial Conciliation and Arbitration Centre (ADCCAC). It was the first arbitration center established in the Gulf region, operating as a non-profit organization to resolve commercial and investment disputes through conciliation and arbitration.

free-zone hubs such as DIFC-LCIA¹⁹ and ADGM Arbitration Centre²⁰ offering common-law systems for global investors. Saudi Arabia followed in 2016 with the SCCA, introducing international standards, bilingual rules, and digital tools to position itself as a top-tier arbitration hub and reduce reliance on foreign venues.²¹

Other nations in the region have set up their own arbitration centers, including Tunisia, Algeria, Morocco, and Jordan. Even though these organizations frequently concentrate on domestic matters, their existence has great symbolic and utilitarian significance as a link between national legal customs and global norms.

4.2 Regional and Cross-Border Initiatives: Toward a Unified Arbitration Culture

Beyond the national level, regional cooperation has become a vital element in the expansion of arbitration organizations. A common need among Arab countries is addressed by this development: pool resources, standardize processes, and establish dispute resolution processes that represent Arab identity and international legitimacy.

One prominent example is the GCC Commercial Arbitration Centre (GCC-CAC²²), which has its headquarters in Bahrain. It was created in 1993 to resolve conflicts between Gulf Cooperation Council members and private organizations that operate internationally. Despite maintaining a small caseload, it plays a crucial symbolic role in advancing regional legal integration.

The Cairo-based Arab Union of International Arbitration (AUIA²³), which serves more as a professional and academic organization than a case-administration hub, is another noteworthy endeavor. The AUIA encourages the moral advancement of arbitration practice throughout the Arab world, conducts conferences, and offers training. It shows an understanding that the development of human capital must go hand in hand with institutional growth.

Arab arbitration institutions have also formed a number of bilateral and multilateral partnerships. Memorandums of understanding (MoUs), cooperative training initiatives, and harmonization initiatives in fields like digitalization, code of conduct, and arbitrator accreditation are a few examples. These cooperative mechanisms are still in their infancy, though, and frequently lack substantial financial and political backing.

¹⁹ The DIFC-LCIA was a joint venture between the Dubai International Financial Centre (DIFC) and the London Court of International Arbitration (LCIA). It was established in 2008 to provide international arbitration services within the DIFC, offering a framework for resolving disputes in the region.

²⁰ The ADGM Arbitration Centre is a state-of-the-art hearing facility in Abu Dhabi, designed to support arbitration and mediation proceedings. It is not an arbitral institution itself, but rather a venue that can be used by parties regardless of which institution administers their arbitration.

²¹ Mohamed Salah Adawi Ahmed, Muhammad Zeeshan Ajmal, Amina Al Houssine Talbi & Basel Khaled Alsaeed, Particularity of Egyptian Arbitration System: Comparison with the Judiciary System and Impact on Investment Dispute Settlement, 30(1) Int'l J. Bus., Econ. & L. 320 (2023)

²² The GCC Commercial Arbitration Centre (GCCAC) is an independent body established to resolve commercial disputes within the Gulf Cooperation Council (GCC).

²³ The Cairo-based Arab Union of International Arbitration (AUIA) is a crucial organization dedicated to promoting and advancing international arbitration practices within the Arab world.

Despite these initiatives, there are still barriers to cross-border arbitration in the Arab world. True regional integration has been hindered by geopolitical tensions, overlapping institutional mandates, and fragmented legal systems. However, the groundwork for a more unified and cooperative Arab arbitration community is being established.²⁴

4.3 Institutional Rules and Services: Modernization and Professionalization

In addition to their physical presence, arbitration institutions' credibility is assessed based on the caliber and flexibility of their policies, practices, and services. Arab arbitration centers have made a determined effort in the last ten years to harmonize their regulations with UNCITRAL norms and international organizations like the ICC, LCIA, and SIAC.

Advanced procedural features like emergency arbitrator provisions, expedited arbitration procedures, virtual hearings and digital filings, joinder, consolidation, and confidentiality rules, and multilingual proceedings (in Arabic, English, and French) are now available at many centers.

To reflect these trends, CRCICA, DIAC, and SCCA, for instance, have all updated their institutional rules. AI-enabled case management systems and a real-time case tracking mobile app have been introduced by the SCCA in particular. A larger dedication to openness, speed, and user-centered design is indicated by this adoption of legal technology.

Institutional missions now include training and professional development services. In collaboration with colleges, bar associations, and international organizations, centers frequently provide arbitrator certification, continuing legal education, and capacity-building initiatives. In the Arab world, where arbitration is still underdeveloped in legal education curricula and judicial practice, this educational role is especially crucial.²⁵

However, there are still major obstacles to overcome. Some institutions struggle with inadequate case volume to establish experience and trust, inconsistent governance, lack of marketing visibility, or limited funding. Furthermore, national arbitration centers are viewed as being too close to corporate or governmental interests in some nations, which raises questions regarding procedural fairness and neutrality.

A wider shift in the way disputes are settled, the exercise of legal authority, and the localization of international standards is indicated by the expansion of arbitration institutions in the Arab world, which goes beyond simple legal reform. These organizations act as hubs for legal innovation, professionalization engines, and links between international collaboration and national sovereignty.

Although there are still obstacles to overcome, mainly in the areas of international visibility, institutional independence, and regional harmonization, the overall outlook is encouraging. Arab arbitration institutions have the potential to contribute to and innovate within the global legal order, in addition to being users of international arbitration standards, if they are backed by significant investment, open governance, and consistent collaboration.

²⁴ Covington & Burling LLP, *International Arbitration in the Middle East: 2024 in Review and What to Expect in 2025* (Jan. 21, 2025)

²⁵ Catherine A. Rogers, *The Vocation of International Arbitrators*, 20 Am. U. Int'l L. Rev. 957 (2005).

5. Challenges to Arbitration in Arab Countries

The practical efficacy of arbitration as a dispute resolution mechanism is still uneven, even with major legal reforms and the expansion of arbitration institutions throughout the Arab world. Although certain jurisdictions have experienced notable advancements, others still encounter institutional, cultural, and structural obstacles.

5.1 Judicial Interference and Enforcement Issues

Judicial intervention is one of the most urgent and enduring barriers to arbitration in Arab jurisdictions, particularly during the stages of recognition and enforcement. Despite the fact that the majority of Arab nations have ratified the New York Convention, the system's predictability and credibility are threatened by domestic courts' uneven implementation of its provisions.

5.1.1 Court Involvement: National courts frequently maintain the broad authority to revoke or deny enforcement of arbitral awards. Particularly when one party is a state entity, some judges may interfere needlessly in the arbitration process because they are not familiar with arbitration or are reluctant to relinquish control.

5.1.2 Public Policy Exception: The vague application of the "public order" or "public policy" clause has evolved into a common defense for invalidating or preventing the enforcement of arbitral awards. Courts have the discretion to contest awards, particularly those involving foreign parties, because public policy is frequently not defined in national law.

5.1.3 Inconsistent Precedent: Different jurisdictions' judicial rulings on arbitration-related issues are inconsistent. Enforcement results differ by region, court level, or the nationality of the parties, and lower courts in some nations may contradict higher courts.

5.1.4 Judicial Delays: Parties may be deterred from using arbitration even in cases where courts are helpful if enforcement proceedings are delayed because of administrative inefficiencies or procedural complexity.

The wider region continues to suffer from erratic judicial behavior toward arbitration, despite the fact that some nations—like Saudi Arabia, the United Arab Emirates, and Egypt—have made considerable efforts to set up specialized courts or enforcement mechanisms.²⁶

5.2 Lack of Trained Arbitrators and Practitioners

The lack of qualified arbitrators, attorneys, and institutional personnel who are aware of both the procedural and substantive aspects of arbitration is a second significant obstacle.

5.2.1 Lack of Expertise: The arbitration community is small and undiversified in many jurisdictions, with few professionals equipped to manage intricate business or investment disputes. Reliance on a small number of arbitrators—typically local elites or retired judges—may limit the range of expertise available and jeopardize impartiality.

²⁶ Freshfields Bruckhaus Deringer LLP, *The Middle Eastern and African Arbitration Review* 2016

5.2.2 Absence of Professional Training: Arbitration is not sufficiently covered in the curricula of many Arab legal education systems. Because of this, a large number of judges, attorneys, and government employees are not formally trained in arbitration law, procedure, and international standards.

5.2.3 Language and Cultural Gaps: When foreign parties are involved in international arbitration, proficiency in English or French is frequently required. However, it can be challenging to handle complicated cross-border disputes or interact with foreign counsel because many local arbitrators have only received training in Arabic²⁷ and civil law traditions.

5.2.4 Limited Accreditation Systems: Standardized licensing or accreditation programs for arbitrators throughout the region are lacking. Although some organizations, such as the SCCA and CRCICA, offer training, not all jurisdictions have yet to institutionalize these initiatives.

In addition to impairing the caliber of arbitration proceedings, this lack of qualified personnel erodes trust in the procedure, particularly among international corporations and foreign investors.

5.3 Cultural and Legal Awareness Gaps

In addition to legal and technical obstacles, arbitration in Arab nations encounters institutional and cultural opposition that is a reflection of more profound legal and social customs.

5.3.1 Preference for Formal Authority and Litigation: Courts are regarded as the sole acceptable source of legal authority in many societies. Contrarily, arbitration is occasionally seen as alien, exclusive, or less respectable, particularly by people who are not familiar with its confidentiality and party autonomy tenets.

5.3.2 Limited Business Awareness: A large number of small and local businesses are either ignorant of arbitration as a choice or do not comprehend its advantages. Others might not have the legal or financial means to negotiate and incorporate arbitration provisions into contracts.

5.3.3 Opposition from the Government and Public Sector: In certain jurisdictions, state-owned businesses and government agencies are still hesitant to use arbitration out of concern that they will lose control or accountability. When arbitration is allowed, its practical application may be constrained by ministerial oversight or stringent approval procedures.

5.3.4 Islamic Law Aspects: Sharia principles and contemporary commercial arbitration can coexist, despite arbitration's compatibility with Islamic legal tradition (tahkim). This is especially true in jurisdictions that value Sharia as a constitutional or legal source.

It will take a sustained approach of legal education, awareness campaigns, and institutional leadership to maintain

²⁷ In Arab countries, while English is frequently used in international arbitration, Arabic is often the primary or even exclusive language of arbitration, particularly when dealing with contracts or disputes within those countries. This is especially true in Saudi Arabia, where the Arabic version of a contract generally supersedes the English version, making Arabic the de facto language of arbitration.

arbitration as a reliable and culturally acceptable process in order to overcome these institutional and cultural obstacles.²⁸

5.4 Investor Confidence: Perceptions, Realities, and Risks

Arbitration is often cited by foreign investors as a crucial component of their risk assessment and contract negotiations, particularly in the cross-border or infrastructure sectors. Nevertheless, doubts persist regarding the efficacy of arbitration in certain Arab jurisdictions.

5.4.1 Neutrality Concerns: Investors frequently wonder if arbitration panels in Arab nations can function without institutional or political influence, particularly when it comes to disputes involving state actors.

5.4.2 Venue Selection Bias: Because of this, even when the underlying transaction is based in the Middle East or North Africa, many investors choose seats in Paris, London, Geneva, or Singapore rather than Arab arbitration centers.

5.4.3 Enforcement Uncertainty: In certain markets, risk aversion and contract avoidance are influenced by the worry that a local court may disregard, reverse, or postpone an arbitral award.

5.4.4 Costs and Delays: In some jurisdictions, arbitration procedures have grown expensive and time-consuming, which runs counter to the primary motivations for parties to choose arbitration.²⁹

In the Arab world, arbitration is at a turning point. Even though institutional infrastructure and legal frameworks have improved, long-standing issues still prevent arbitration from reaching its full potential. A complicated web of barriers that cannot be overcome by legislation alone is created by judicial resistance, a lack of professional ability, cultural hesitancy, and investor skepticism.

A multifaceted approach is needed to close the gap between legislative ambition and actual implementation, including judicial reform, professional development, raising awareness, and a sincere dedication to impartiality and effectiveness. Arab jurisdictions can only guarantee that arbitration develops into a dependable foundation of economic growth and global engagement by tackling these issues comprehensively.

6. Recommendations for Future Development

These recommendations are intended to assist legislators, attorneys, and arbitration organizations in creating a more resilient, respectable, and investor-friendly arbitration environment throughout the region.

6.1 Legislative Reforms

There are still issues with harmonization, enforcement, and procedural clarity even though many Arab states have enacted contemporary arbitration laws that are in line with international norms like the UNCITRAL Model Law. To bridge the gap between law and practice, legislative reform aim to:

²⁸ University of Westminster, *The Impact of the Shari'ah on Foreign Direct Investment and Arbitration: The Case of Saudi Arabia and Its Vision 2030* (2019)

²⁹ Arbitration costs in Arab countries are influenced by numerous factors. Parties should carefully consider these factors when choosing an arbitration institution and preparing for a dispute to effectively manage and potentially minimize expenses.

6.1.1 Maintain national legal identity while guaranteeing conformity with international standards.

6.1.2 Clearly define the parameters of judicial supervision, particularly with regard to enforcement and annulment processes.

6.1.3 Reduce judicial discretion that can deter foreign investors by fortifying protections for due process and party autonomy.

6.1.4 Standardize important procedures like emergency arbitration, interim measures, and acceptance of online arbitration.

In order to make sure that arbitration obligations under bilateral investment agreements and international treaties are met, policymakers must also examine investment and commercial laws.

6.2 Capacity Building and Training

The presence of qualified arbitrators, attorneys, judges, and administrative personnel is essential to a successful arbitration system. However, there is a dearth of professionals with sufficient arbitration training in many Arab nations. In order to remedy this:

6.2.1 University law programs should incorporate arbitration as a fundamental element of legal education.³⁰

6.2.2 Judicial training is essential to improving judges' comprehension of arbitration principles when they are in charge of enforcing and reviewing awards; specialized training programs ought to be planned in cooperation with international organizations and regional bar associations.³¹

6.2.3 Knowledge transfer can be facilitated by cross-border cooperation through cooperative academic projects and exchange programs.³²

Professional development may also be improved by increased interaction with international arbitration organizations like the ICC, LCIA, and SIAC.

6.3 Encouraging Private Sector Engagement

One important party involved in arbitration is the private sector. Its trust and involvement are crucial to guaranteeing the system's real-world efficacy. Governments and arbitration centers ought to:

6.3.1 Involve business associations in arbitration-related legislative consultations.

6.3.2 Encourage awareness-raising initiatives to educate domestic and international investors about the advantages of the various arbitration options.

³⁰ While arbitration may not typically be offered as a standalone undergraduate major in most universities in Arab countries, it's increasingly integrated into law curricula and available as a postgraduate specialization.

³¹ Asian-African Legal Consultative Organization (AALCO), Report on the AALCO's Regional Arbitration Centres (2024)

³² International Chamber of Commerce (ICC), Leveraging Technology for Fair, Effective and Efficient International Arbitration Proceedings (2022)

6.3.3 Encourage companies to include arbitration clauses in their contracts, particularly when doing business internationally.

6.3.4 Promote creativity in the creation and administration of arbitration centers by forming public-private partnerships.

Involving the private sector can also encourage industry-specific arbitration (such as in the construction, energy, and intellectual property sectors) and aid in the creation of regulations tailored to particular industries.

6.4 Enhancing Transparency and Public Trust

For arbitration to be legitimate and credible, trust is essential. User confidence can be increased through transparency in award enforcement as well as institutional procedures. This can be accomplished by:

6.4.1 Disseminating institutional statistics and anonymized awards while maintaining confidentiality.

6.4.2 Creating moral guidelines and conduct expectations for institutional administrators and arbitrators.

6.4.3 Encouraging predictability by making procedural rules, case schedules, and fees accessible to the general public.

6.4.4 Raising awareness of ADR in order to dispel the myth that arbitration is exclusive or imposed from abroad.³³

International credibility can also be improved by coordinating national arbitration efforts with international programs like the UNCITRAL Transparency Rules.

7. Conclusion

The development of arbitration in the Arab world has been examined in this study, and the results show a dynamic and intricate path impacted by historical, legal, and cultural elements. Arbitration in Arab nations has gradually evolved from its origins in tribal conciliation and Sharia-based dispute resolution procedures to codified systems that comply with international standards. Nevertheless, this change has not been consistent, and there are still a number of layers of difficulties in bringing legislative reform into line with practice.

First, the examination of early dispute resolution customs emphasizes the continued significance of regional values like respect for elders, honor, and a strong desire for social cohesiveness and confidentiality. These pillars still have an impact on modern dispute resolution techniques, which frequently conflict with formal legal frameworks.

Second, the legal environment in Arab jurisdictions has greatly improved, with many nations—most notably the United Arab Emirates, Saudi Arabia, Egypt, and Morocco—adopting contemporary arbitration laws that integrate international norms like the UNCITRAL Model Law. These changes demonstrate the government's strong support for arbitration as a workable substitute for litigation, particularly in business and investment settings.

³³ Arbitration in Arab countries is a dynamic field shaped by both deep-seated traditions and evolving modern practices. While there is an ongoing need for dialogue and understanding to ensure the system is tailored to the specific needs of the region, the idea that it is exclusively imposed from abroad is clearly outdated and fails to capture the true picture of its development and acceptance within the Arab world.

Third, there are now numerous national arbitration centers throughout the area. Organizations that have started to professionalize the practice and provide more advanced services include the Saudi Center for Commercial Arbitration (SCCA), the Dubai International Arbitration Centre (DIAC), and the Cairo Regional Centre for International Commercial Arbitration (CRCICA). The increasing strategic significance of dispute resolution is also reflected in regional cooperation through organizations such as the Gulf Cooperation Council (GCC) and the League of Arab States.

Fourth, there are still enduring challenges. The legitimacy and effectiveness of arbitration systems are threatened by judicial interference, inconsistent enforcement, a lack of qualified arbitrators, and a lack of public and business awareness. Delays in acknowledging and implementing arbitral awards discourage both foreign and domestic investors, and courts in certain nations continue to exercise excessive oversight.

Fifth, even with significant advancements, there is still a clear disconnect between well-written legislation and its actual implementation. Newly passed arbitration laws in some jurisdictions are still unsupported by sufficient practitioner capacity, institutional infrastructure, or judicial training. This disparity could reduce arbitration's potential and erode public trust.

Arbitration reform in the Arab world is not just a legal reform initiative; it is also a strategic necessity linked to judicial modernization, investment promotion, and economic diversification. Arbitration needs to be positioned as a fundamental component of the legal framework of the many nations in the region that aim to develop into major international business centers. Arab nations can create effective, reliable, and internationally competitive arbitration systems by enhancing previous reforms, resolving present issues, and giving implementation top priority. All parties involved—governments, attorneys, universities, and the commercial sector—must be dedicated to this.

In summary, the Arab world is in a pivotal position, with the legal means, historical knowledge, and strategic drive to establish arbitration as a fundamental component of its legal and economic future. In order to create strong, practice-oriented, and culturally sensitive arbitration systems that satisfy the needs of the twenty-first century, the challenge now is to go beyond paper reforms.