

# Study on the Innovation of Civil and Commercial Dispute Resolution Mechanisms in the Context of “Belt and Road”

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**Abstract:** Since its inception, the "Belt and Road" initiative has gradually emerged as a pivotal framework for global economic cooperation, encompassing numerous countries and regions across Asia, Africa, and Europe. This grand strategy has not only facilitated the interconnectedness of global infrastructure but has also profoundly influenced international trade patterns and cross-border investment flows. With the ongoing deepening of economic cooperation, various cross-border trade and investment activities have proliferated, leading to an increasing number of civil and commercial disputes. Given the vast disparities in legal systems and cultural backgrounds among the involved countries and regions, resolving these disputes has become increasingly complex and diverse. In this context, the effective and equitable resolution of such disputes has become a crucial factor for the smooth advancement of the "Belt and Road" initiative. Currently, existing international commercial dispute resolution mechanisms are inadequate to fully meet the needs of "Belt and Road" cooperation. Traditional mechanisms of international arbitration and litigation face numerous challenges in terms of efficiency, fairness, and cultural adaptability, while alternative dispute resolution (ADR) mechanisms, though somewhat supplementary, also have their limitations. Therefore, researching and innovating dispute resolution mechanisms tailored to the "Belt and Road" context is not only a necessary requirement for ensuring the healthy development of the initiative but also a vital exploration for contributing new models and ideas to the field of international dispute resolution.

**Keywords:** “Belt and Road”; Civil and Commercial Disputes; Settlement Mechanism; Innovative Research

## 1. Introduction

Since its inception, the "Belt and Road" initiative has emerged as a crucial bridge connecting major global economies, encompassing a vast number of countries and regions with diverse legal, cultural, and economic environments. As economic cooperation among these nations deepens, there has been a significant increase in cross-border transactions and investment activities, which has concurrently led to a rise in civil and commercial disputes. These disputes span a broad range of fields, and the diversity of disputing parties along with the complexity of legal issues pose substantial challenges to existing international dispute resolution mechanisms. Effectively and fairly resolving these disputes is crucial not only to the success of specific cooperative projects but also to the stable advancement of the "Belt and Road" strategy as a whole. Within the macro context of the "Belt and Road," researching innovations in dispute resolution mechanisms holds significant practical and theoretical value. Traditional international arbitration and litigation mechanisms have shown various inadequacies, particularly in the complex environment where multiple national legal systems intersect, raising concerns about their efficiency and fairness. Thus, exploring new dispute resolution pathways to address the new challenges posed by the "Belt and Road" is a vital safeguard for legal cooperation and economic development among the countries along the route. Through innovative mechanisms, promoting the diversification and enhancement of dispute resolution will ensure the smooth implementation of the "Belt and Road" strategy.

## **2. Characteristics of Civil and Commercial Disputes in the Context of “Belt and Road”**

The "Belt and Road" initiative forges connections among diverse nations and regions, fostering extensive cooperation across economic, cultural, and legal domains. The implementation of this grand blueprint inevitably brings to light certain unique characteristics in civil and commercial disputes. The countries participating in the "Belt and Road" initiative, spanning Southeast Asia, Central Asia, Africa, and Europe, exhibit a geographic expanse and cultural richness that surpasses the scope of any other international cooperation framework. This diversity necessitates addressing the coordination and integration between differing legal systems when handling civil and commercial disputes. The disparity between China's legal system and those of other countries, such as the civil law system and common law system, manifests not only in distinct legal concepts and procedures but also in varying emphases on the protection of rights within judicial practice. The challenges arising from these differences extend beyond the interpretation and application of legal texts, encompassing the need to establish a universally acceptable dispute resolution mechanism while respecting national sovereignty and legal independence. This requires innovative mechanisms to transcend traditional legal paradigms, exploring solutions that accommodate the legal systems of various countries, such as arbitration, mediation, and judicial assistance from international courts [1].

In this context, the complexity of legal systems and cultural differences further magnifies the challenges of dispute resolution. Each nation's legal culture is imbued with its own distinctive history and values, and such cultural divergences manifest not only in the formulation and interpretation of laws but also in the public's trust and acceptance of them. For instance, in certain countries, customary law might hold equal significance with statutory law, while in others, strict enforcement of the law is regarded as the cornerstone of social justice. These profound cultural disparities render reliance on the legal framework of a single country often ineffective in dispute resolution. More challenging is the fact that in international commercial activities, disputes frequently encompass not just legal issues but also cultural, religious, and even political conflicts. In such cases, a dispute resolution mechanism lacking a deep understanding of the cultural contexts of various nations is unlikely to gain the trust and support of all parties involved. Therefore, innovative dispute resolution mechanisms must seek consensus not only at the legal level but also achieve inclusivity and coordination at the cultural level to truly function as stabilizers in the Belt and Road Initiative.

With the deepening of the Belt and Road Initiative, a plethora of complex multinational cooperative projects have emerged, leading to a diversification of disputes. From traditional contractual disagreements and investment disputes to emerging environmental disputes and intellectual property conflicts, the wide range of areas involved often leaves existing dispute resolution mechanisms inadequate. Particularly, some types of disputes possess unique characteristics, such as those involving national sovereignty and public interest, which often involve multiple parties and are closely tied to diplomatic relations between countries. In such scenarios, resolving disputes requires not only legal acumen but also political sensitivity and diplomatic finesse.

In this intricate international context, the global community is actively seeking effective mechanisms for dispute resolution. International policy documents such as the United Nations Convention on Contracts for the International Sale of Goods and the New York Convention provide crucial legal foundations for resolving transnational disputes. However, in the face of the new challenges posed by the Belt and Road Initiative, these traditional international legal instruments require appropriate innovation and adjustment to better align with the evolving global landscape. In summary, resolving civil and commercial disputes within the Belt and Road framework represents both a significant test of existing international legal systems and an important opportunity for advancing global legal mechanism innovation. Throughout this process, nations must not only engage in continuous legal dialogue and cooperation but also foster mutual understanding and tolerance on cultural and political levels to collectively establish a harmonious, stable, and sustainable international cooperation platform.

## **3. Analysis of Existing Civil and Commercial Dispute Resolution Mechanisms**

### ***3.1 Status and limitations of International Commercial Arbitration***

International commercial arbitration serves as a crucial mechanism for resolving transnational commercial disputes. This mechanism has gradually become the preferred avenue for companies and parties around the world to resolve international commercial conflicts, owing to its relatively

autonomous procedures, high level of confidentiality, and the enforceability of its rulings. Prominent arbitration centers have emerged in cities such as London, Paris, and Singapore, renowned for their expertise and efficiency, and enjoying a stellar reputation in the field of international commercial arbitration. Additionally, the existence of the New York Convention endows international commercial arbitration awards with extensive enforceability worldwide, offering a distinctive advantage in resolving cross-border commercial disputes.

However, as the complexity of global commercial disputes increases, certain issues in arbitration practice have become increasingly apparent. Arbitration costs, including fees for arbitrators, administrative expenses of arbitration institutions, and legal representation fees, are often more expensive than those associated with ordinary court litigation. Especially in complex cases, the arbitration process can extend over several years, further escalating costs and making it challenging for small and medium-sized enterprises to bear, sometimes leading them to forgo arbitration altogether. Although arbitration is intended to provide a swifter means of dispute resolution compared to litigation, the intricate procedures and multi-party coordination in cross-border cases often result in arbitration processes being lengthier than anticipated. In situations involving multiple parties and complex disputes, delays in the arbitration procedure can cause parties to miss business opportunities or suffer significant financial losses. While arbitrators are generally chosen jointly by the parties, factors such as the arbitrator's professional background, ethnic group, and cultural context may introduce potential biases. Furthermore, some arbitrators may influence the impartiality of the decision due to conflicts of interest or special relationships with the parties, undoubtedly posing challenges to the fairness of arbitration. If issues concerning the independence and impartiality of arbitrators are not effectively addressed, it could undermine the credibility of international commercial arbitration [2].

### ***3.2 Features and Challenges of International Commercial Litigation***

International commercial litigation, as a vital avenue for resolving civil and commercial disputes, relies on well-established legal systems across nations, stringent court procedures, and enforceable judgments, providing parties with stable expectations. This institutional normativity effectively safeguards the legal rights of parties involved and offers a robust legal backbone for international trade and investment activities. The judgments of courts are often widely recognized by the international community, particularly in nations with mature rule-of-law environments where the independence and impartiality of the judiciary are universally respected, thus fostering greater trust in this mode of dispute resolution. International commercial litigation also embodies a high degree of specialization and technicality. International commercial disputes frequently involve complex legal issues such as international contract law and multinational corporate law, necessitating judges with profound legal expertise and extensive experience in international law. The professionalism of judges determines the quality of case handling, ensuring more precise adjudications and persuasive outcomes.

Despite its numerous advantages, international commercial litigation faces notable limitations. Cross-border litigation often incurs substantial costs, including high lawyer fees, court expenses, and other related charges, which can impose a significant financial burden on parties, particularly small and medium-sized enterprises. Furthermore, international commercial litigation involves diverse legal systems with complex and time-consuming procedures, resulting in litigation periods that may extend for years. This not only delays the resolution of disputes but may also exacerbate conflicts between the parties. Additionally, challenges in enforcing judgments arise due to differences in national legal systems; a court's ruling may encounter obstacles in enforcement in another country, preventing the victorious party from realizing their legal rights, especially in jurisdictions lacking effective judicial cooperation mechanisms. These characteristics and limitations outline the unique landscape of international commercial litigation in global economic interactions, presenting both legal protection and intricate challenges, and compelling careful consideration when selecting dispute resolution methods [3].

## **4. Exploration of the Path of Innovation of Dispute Settlement Mechanism in “Belt and Road”**

### ***4.1 Conceptualization of the Establishment of the “Belt and Road” International Commercial Court***

The establishment of the "Belt and Road" International Commercial Court aims to provide a just, professional, and efficient platform for resolving disputes among commercial entities from various nations. This court will not only serve as an enforcer of legal rules but also act as a bridge between

different legal systems and cultures. It will center on internationalization, drawing upon the expertise of legal professionals, judges, and arbitrators from various countries to adjudicate cases from a diverse perspective. The goal is to balance the legal traditions and commercial practices of different nations in its application of the law and standards of judgment, thereby enhancing trust and acceptance of the outcomes among all parties involved. The court will emphasize transparency and independence in its procedures, ensuring that commercial entities from all nations are treated fairly and are free from external interference. Moreover, the "Belt and Road" International Commercial Court will foster the development of a specialized legal framework to address cross-border commercial disputes. This framework will blend international commercial practices with regional characteristics, aligning with universally accepted legal principles while accommodating the specific needs of different countries. This approach will not only improve the efficiency of dispute resolution but also provide stronger legal protection and predictability for international commercial activities, thus reducing legal risks and transaction costs for businesses. Through this platform, the legal communities of China and the countries along the Belt and Road can engage in more profound interaction and cooperation, enhancing mutual understanding and trust, and laying the groundwork for addressing new legal issues arising in a globalized context. As the court operates, it will gradually become a symbol and link for legal and cultural exchange and cooperation among the Belt and Road nations, promoting the continuous improvement of the rule of law in the region.

#### ***4.2 Promoting Cooperation and Integration of Existing Arbitration Institutions***

In the face of the complex and multifaceted international commercial environment, a single arbitration institution can no longer fully meet the diverse needs of various countries, regions, and industries. Strengthening cooperation among arbitration institutions can lead to the optimal allocation of resources, thereby more effectively addressing the dispute challenges posed by globalization. The collaboration and integration of arbitration institutions should transcend mere cooperative agreements or strategic alliances, and instead, represent a profound and systemic amalgamation. Arbitration institutions from different countries each bring unique strengths in aspects such as legal culture, procedural design, and enforcement mechanisms, making complementary advantages particularly significant. Through institutional cooperation, the establishment of unified arbitration rules can mitigate uncertainties arising from legal conflicts. Such integration can also facilitate the sharing of information and expertise among arbitration institutions, enhancing the professionalism and international perspective of arbitrators, thereby bolstering the fairness and authority of dispute resolution. The integration of arbitration institutions should also be reflected in the standardization of platforms and services; arbitration bodies can develop shared electronic platforms to enable seamless case information connectivity and data interchange, reducing redundant efforts and resource wastage. This integration will offer more convenient and transparent arbitration services to parties involved, increasing their confidence in arbitration outcomes. The legal systems and cultural backgrounds of countries along the Belt and Road initiative are diverse. Promoting cooperation and integration among arbitration institutions can establish a more inclusive dispute resolution system while respecting each country's legal sovereignty. This system not only maintains order in international commercial activities but also fosters economic and trade cooperation and development among countries within the Belt and Road framework [4]. Through collaboration and integration, arbitration institutions can synergize to address the increasingly complex landscape of international commercial disputes, providing a more robust legal safeguard for the implementation of the Belt and Road initiative.

#### ***4.3 Development of an Online Platform for "Belt and Road" Dispute Resolution***

In the course of advancing the Belt and Road Initiative, the emergence of numerous cross-border investments and collaborative projects has inevitably led to a rise in civil and commercial disputes. As globalization deepens, traditional dispute resolution mechanisms face challenges such as timeliness, high costs, and difficulties in enforcement. This is particularly true in cross-border disputes, where divergences in judicial jurisdiction and differences in national legal systems render resolution increasingly complex and intricate. Against this backdrop, the development of an efficient online dispute resolution platform becomes a necessary innovation in the dispute resolution mechanisms of the Belt and Road Initiative. The establishment of such a platform can significantly enhance the efficiency and transparency of dispute resolution. This platform represents a fundamental transformation in dispute resolution models, allowing parties to overcome geographical constraints, swiftly submit disputes, monitor processing progress in real-time, and even resolve issues through online mediation or arbitration. This seamless method of resolving disputes is especially well-suited for

handling cross-border conflicts. Historically, cross-border disputes have often been delayed due to jurisdictional disputes and legal conflicts. The introduction of an online platform can mitigate the conflicts and uncertainties arising from differences between legal systems through unified procedural rules, thereby accelerating the case processing timeline. The online dispute resolution platform also offers advantages of efficiency and cost-effectiveness. Traditional dispute resolution often requires significant time and financial investment, particularly in cross-border cases where parties face cumbersome international litigation procedures and expensive legal fees. The use of online platforms can simplify procedures, reduce intermediaries, and lower the costs of dispute resolution, enabling small and medium-sized enterprises and individuals to participate fairly in the resolution process. This not only fosters commercial cooperation among countries and regions along the Belt and Road but also enhances the enthusiasm and trust of all parties involved. More importantly, the application of online platforms leverages emerging technologies such as big data and artificial intelligence to provide more intelligent and personalized services for dispute resolution. Through data analysis, the platform can summarize and reference the resolution methods and outcomes of similar cases, offering guidance for new cases. Additionally, artificial intelligence can assist in handling a substantial amount of foundational work, such as organizing evidence and analyzing contract terms, further enhancing the efficiency and accuracy of dispute resolution. The integration of technology with legal processes not only makes dispute resolution more efficient but also ensures that the entire process is more transparent and open, reducing the potential for unfairness and skepticism arising from information asymmetry [5].

#### ***4.4 Construction of a Pluralistic Dispute Resolution Mechanism***

The diversified dispute resolution mechanisms are not merely a coexistence of traditional litigation, arbitration, and mediation, but rather an organic integration of these methods, achieving efficient and equitable dispute resolution through their mutual supplementation and synergistic effects. Litigation, with its inherent legal coercion and authority, stands as the final bastion of justice, though its complex and time-consuming procedures, coupled with high costs, often render it unsuitable for the swift handling of intricate cross-border cases. Thus, within the framework of the Belt and Road Initiative, it is imperative to integrate litigation with arbitration and mediation mechanisms, fostering mutual support and creating an effective multi-tiered dispute resolution system. Arbitration, prized for its flexibility and confidentiality in the international commercial realm, still encounters challenges in addressing cross-border disputes involving multiple jurisdictions. Hence, incorporating mediation into the arbitration process to facilitate settlement not only reduces arbitration costs but also fosters a more harmonious resolution without compromising the interests of the parties. Especially in cross-border cases marked by cultural and legal system differences, mediation, as a more pliant dispute resolution method, often mitigates misunderstandings and conflicts arising from cultural clashes. The introduction of expert adjudication and industry-specific mediation injects specialized and industry-oriented strengths into the diversified dispute resolution framework. Expert adjudication, with its prompt and professional attributes, provides authoritative opinions within a short timeframe, particularly suited for disputes involving complex technical or specialized knowledge. Meanwhile, industry-specific mediation leverages internal industry rules and practices to precisely address disputes, assisting parties in reaching consensus within the framework of industry norms. The incorporation of these mechanisms not only enhances the professionalism of dispute resolution but also offers parties more diverse and flexible solutions. In the realm of diversified dispute resolution, reinforcing dispute prevention and early neutral evaluation is equally crucial, as preventing disputes not only lowers the likelihood of their occurrence but also, when early signs of a dispute emerge, enables a neutral third party to swiftly identify the root causes and propose solutions, thereby resolving disputes at their inception. This mechanism is particularly vital in international commercial interactions, helping enterprises mitigate legal risks arising from differing legal environments and reducing unnecessary dispute costs.

### **5. Conclusion**

Under the framework of the "Belt and Road Initiative," the innovation of civil and commercial dispute resolution mechanisms serves as a valuable supplement to the existing international dispute resolution system and represents a crucial step toward advancing global legal order. In future international civil and commercial cooperation, diversified dispute resolution mechanisms will become mainstream. The exploration of new mechanisms such as online platforms, international commercial courts, expert arbitration, and industry mediation will infuse the "Belt and Road" collaboration with greater certainty and trust. Concurrently, the enhancement of dispute prevention and early neutral evaluation will address disputes at their source, reduce cooperation costs, and increase efficiency. In the

future, the refinement of the "Belt and Road" dispute resolution mechanisms could establish a new paradigm for global dispute resolution. Through continuous innovation and improvement of these mechanisms, legal and economic cooperation among countries and regions along the route will become more seamless, further deepening global economic integration. This innovation in mechanisms not only challenges traditional international legal principles but also represents a significant step in constructing a new order of global economic governance, warranting keen attention and active participation from the international community.

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