

# GOVERNMENT ATTITUDE TOWARD ARBITRATION

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## ABSTRACT

*In the current era of globalization and commercial transactions spreading through countries and continents, where more and more disputes arise, governments cannot rely only on their local courts to solve problems, and refrain from settling their disputes by international institutes. Consequently, all countries have built certain mechanisms for the resolution of commercial disputes between different parties. Among all, arbitration has increasingly been regarded as the most appropriate one. Although this paper concentrates on the arbitration process as a mechanism to solve disputes, there are still other useful and efficient Alternative Dispute Resolutions, such as mediation. Besides, the WTO dispute settlement mechanism encompasses the different and various methods for resolving disputes between States, such as consultation, mediation and arbitration, which is the most successful way according to the opinions of many scholars. In Israel, the general situation is that when the government is a party in a dispute, it is reluctant to settle the dispute by choosing the method of arbitration. Rather, it prefers to settle in the local courts, or sometimes by mediation.*

*This article encourages governments all over the world to make their judicial systems more efficient and effective, and use ADR processes such as arbitration, instead of eliminating it. The last part of this article mentions that in order to strengthen the trust of governments throughout the entire process, the establishment of an*

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*appellate level in arbitration institutions, and the extremely high costs that are imposed on the parties, especially on developing countries, are necessary to be improved.*

**KEYWORDS:** *arbitration; commercial disputes; World Trade Organization; Dispute Settlement Understanding (DSU); Alternative Dispute Resolutions (ADR)*