

# Discuss the interplay between conflict

[Economics](#), [Trade](#)



International trade is one of the most critical and complex process as it involves not only more than two parties to the contract but also different institutions including governments. It is because of this reason that it is often argued that the laws regulating the international trade should be such that they can easily facilitate the trade between different countries while keeping intact the different indigenous laws of the respective countries.

In its essence, international trade is the exchange of goods, services and capital between the countries across the international borders. Due to its unique characteristic of involving cross border trade, it is also subject to different laws, regulations and rules. Uniform Commercial Law is the law which has been promulgated in order to harmonize the laws of sales between different countries. Such kind of uniform commercial laws include the UCP rules which govern the international trade and also the exchange of the financial services between the financial institutions.

Since, one of the most important characteristics of the international trade is that it involves the interaction of financial institutions also besides between the seller and the buyer therefore the uniform commercial laws such as UCP govern the international trade. However, on the other hand, there are other international laws which area also governed the international trade by different countries according to their own requirements.

The protectionist policies and laws and regulations adopted by the different governments of the organization create a deliberate conflict between the uniformed commercial law and the other international laws and regulations thus creating a conflicting situation for the different players working in the international environment. This essay will undertake to analyze and <https://assignbuster.com/discuss-the-interplay-between-conflict/>

understand the interplay between conflict of laws/international law rules and uniform commercial law in the field of regulation of international trade.

International Law The international liberalization of the trade as well as growing globalization has given rise to the need of having laws flexible enough to accommodate the needs of the different players in international trade. (Chirwa, 2005). Many researchers also attempted to remove these regulatory anomalies by offering a new approach to resolve the conflict of laws in international trade.

One such approach outlines the concept of constitutional uncertainty in international trade and present different models of international transactions in the wakes of different legal frameworks present. (Schmidtchen, Kirstein, Neunzig, 2004). These approaches are mostly suggesting the economic solution to the problem of the conflict between the international law and the uniform laws and suggest a transactional mode of international trade and attempt to bring down the law to accommodate such models into them so that this conflict can be overtaken.

The increased globalization as well as the role of large multinationals in circumventing the rules and regulations in their favor, in countries where they have larger chances of profitability, indicates the eroding powers of state to ensure the compliance with the international laws besides ensuring that the local laws support the international regulations so that the international trade can swiftly take place. When we discuss about the international law and the conflicts between the different regulations, it always come down to analyze and trace the patterns of those conflicts in different kinds of transactions taking place internationally.

One such example is that of the credit sales where UCP rules may suggest different approaches to governing the financial aspects of the transaction however, the existing rules and regulations such as restrictions on the foreign exchange repatriation, forward booking of foreign currencies due to pressures on the domestic currency may effectively create a situation where the uniformed commercial laws and the private laws can come into direct conflict. (Albert, Wade & Instituut, 1983).

Another great example can be that of the WTO and the other related laws. WTO specifically advocates the removal of the different trade restrictions such as quotas on the international trade taking place between member countries however there are other deliberate attempts by different countries to discriminate against other member countries by promulgating rules and regulations which restricts even the capability of WTO to remove the conflict of laws and regulations between the countries.

It is also often argued that the international trade has more become now a political issue and despite the trade liberalization, politicizing of the international trade have created a deliberate attempt to raise a conflict between different international/private laws and the uniform commercial laws. (Joerges, 2007). Such politicization of the process has not only created a deliberate drift between the laws but it also created a permanent source of conflict between the international institutions also.

Conclusion It is also important to mention that the interplay of the different uniform as well as the international/ public laws, from a transactional perspective, can be removed because the laws and regulations will directed at creating a synergy between the different laws to assist the smooth

operation of international trade. A deviation from the transactional mode of international trade therefore may create a direct conflict between the international and uniform commercial laws.