



Specific comparison of dispute resolution mechanisms between China and Laos

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Abstract

The objectives of this research were to: (1) compare the types of dispute resolution mechanisms between China and Laos, (2) compare the structures of these mechanisms in both countries, and (3) analyze the similarities and differences in their overall dispute resolution systems. The study employs a qualitative comparative approach to identify commonalities and distinctions in litigation, mediation, and arbitration practices. The findings reveal that both China and Laos share a cultural emphasis on harmony and mediation rooted in their Asian legal traditions, yet they differ significantly in institutional development and procedural formality. China's dispute resolution framework is diversified and highly institutionalized, integrating state-led mechanisms such as mediation, arbitration, and litigation, supported by digital innovation and ongoing legal reforms. In contrast, Laos maintains a socially driven model that relies heavily on community-based mediation grounded in Buddhist traditions and moral reconciliation. While China's system ensures greater procedural certainty and enforceability, the Laotian approach prioritizes accessibility and social cohesion but lacks institutional standardization and international recognition. The study concludes that variations in institutional capacity, cultural values, and legal infrastructure strongly influence the effectiveness of dispute resolution in both countries. It recommends strengthening cross-border coordination, establishing joint arbitration frameworks, and developing hybrid models that integrate formal and informal mechanisms to enhance efficiency, fairness, and regional legal integration under the Belt and Road Initiative.

Keywords: Dispute resolution, China and Laos

1. Introduction

Dispute resolution is central to any legal system, providing the means to settle conflicts, uphold rights, and maintain social stability (Vannapha et al., 2021). China and Laos, though geographically close, have legal traditions shaped by different histories and institutions. China's system, influenced by socialist law and elements of the civil law tradition, has evolved into a diversified framework that combines courts with alternative dispute resolution (ADR) tools such as mediation, arbitration, and conciliation (Fu, 2018; Kaufmann & Pistor, 2019). Laos, drawing on French civil law heritage and socialist governance, relies more on centralized judicial structures, while also embedding mediation and conciliation in village and administrative settings (UNDP, 2016; Sisombat, 2020).

The expansion of the China–Laos Economic Corridor under the Belt and Road Initiative has strengthened trade, investment, and infrastructure ties, bringing with it a rise in cross-border disputes (Huang & Leung, 2020; World Bank, 2021). While both nations value harmony and mediation, their procedures, institutional capacities, and enforcement approaches differ in ways that affect the predictability and efficiency of outcomes (Peerenboom, 2020; Lao PDR Ministry of Justice, 2019).

Current research tends to examine each country separately, leaving a gap in understanding how their systems compare. These differences matter: China's arbitration bodies enjoy strong international standing (CIETAC, 2022), whereas Laos's arbitration framework is still developing (Lao PDR Ministry of Justice, 2019). In Laos, community mediation plays a central role, but

may lack the formal safeguards expected in cross-border commercial disputes (UNDP, 2016). Such contrasts can cause legal uncertainty, higher costs, and tension in business relations.

Despite the shared emphasis on harmony and mediation in both China and Laos, significant gaps exist in the structure, implementation, and effectiveness of their dispute resolution mechanisms. These disparities become more pronounced as cross-border economic activities increase under initiatives such as the China–Laos Economic Corridor (Huang & Leung, 2020; World Bank, 2021). The following key problems are identified:

Lack of Comparative Understanding: Existing studies tend to focus on either China or Laos independently, leaving a gap in comparative analysis that limits understanding of how institutional, legal, and cultural factors shape their respective dispute resolution mechanisms (Fu, 2018; Sisombat, 2020; Peerenboom, 2020).

Institutional and Structural Differences: China has developed a diversified and institutionalized framework integrating litigation, arbitration, and mediation (CIETAC, 2022; Fu, 2018), whereas Laos still relies heavily on informal, community-based mediation supported by traditional and administrative structures (UNDP, 2016; Lao PDR Ministry of Justice, 2019). This imbalance hinders mutual recognition and cooperation in handling cross-border disputes (Qin, 2023).

Legal Certainty and Enforcement Challenges: In Laos, mediation and arbitration outcomes often lack strong enforcement mechanisms, creating uncertainty for foreign investors and international business partners (Sisombat, 2020; Lao PDR Ministry of Justice, 2019). In contrast, China's system provides clearer procedural safeguards and legal validity through established arbitration and judicial review procedures (Li, 2024; CIETAC, 2022).

Cultural and Procedural Gaps: Cultural norms in Laos emphasize moral reconciliation and social harmony

based on Buddhist traditions (UNDP, 2016; Sisombat, 2020), while China's modernized system increasingly stresses legal formalism, procedural standardization, and digital innovation (Yu & Jiang, 2023; Wang, 2024). These differences complicate the harmonization of dispute resolution practices.

Insufficient Coordination in Cross-Border Dispute Resolution: With growing economic cooperation between China and Laos, cross-border disputes have increased, yet there are limited bilateral frameworks or integrated institutions to manage such disputes efficiently and fairly (Huang & Leung, 2020; Qin, 2023; World Bank, 2021). This lack of coordination increases legal uncertainty and weakens investor confidence across the region. Despite the shared emphasis on harmony and mediation in both China and Laos, significant gaps exist in the structure, implementation, and effectiveness of their dispute resolution mechanisms. These disparities become more pronounced as cross-border economic activities increase under initiatives such as the China–Laos Economic Corridor (Huang & Leung, 2020; World Bank, 2021). The following key problems are identified:

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Institutional and Structural Differences: China has developed a diversified and institutionalized framework integrating litigation, arbitration, and mediation (CIETAC, 2022; Fu, 2018), whereas Laos still relies heavily on informal, community-based mediation supported by traditional and administrative structures (UNDP, 2016; Lao PDR Ministry of Justice, 2019). This imbalance hinders mutual recognition and cooperation in handling cross-border disputes (Qin, 2023).

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The objective of study: 1) Comparison of types of dispute resolution mechanisms between China and Laos, 2) Comparison of the Structure of Dispute Resolution Mechanisms between China and Laos and 3) Comparison of Dispute Resolution Mechanisms between China and Laos.

2. Materials and Methods

2.1 Source of Data

National laws and regulations, institutional rules, government reports, and secondary academic literature.

2.2 Tools Collecting Data

To ensure reliability and comprehensiveness, this study employed documentary research tools and qualitative analytical tools. Primary tools included a

document review checklist to extract relevant information from laws, regulations, and institutional reports, and a coding framework to categorize themes such as litigation, mediation, and arbitration. Secondary tools consisted of comparative analysis matrices that helped contrast China and Laos across dimensions such as initiation procedures, institutional structures, and enforcement mechanisms.

2.3 Data collection

Data were collected from both primary and secondary sources. Primary sources included national laws, arbitration rules, judicial guidelines, and official government reports from China and Laos. Secondary sources consisted of peer-reviewed journal articles, academic books, and international organization reports. The collection process involved systematically searching legal databases, university libraries, and institutional websites to gather comprehensive materials. Emphasis was placed on documents published between 2000 and 2024, ensuring both historical depth and contemporary relevance.

2.4 Data analysis

The study applied a qualitative comparative analysis (QCA) approach. Data were first thematically coded according to key dimensions of dispute resolution (litigation, mediation, arbitration). Then, cross-case comparison was conducted to identify similarities and differences between China and Laos. The analysis was guided by Takao Tanase's dispute resolution process theory and the structural typology of "state-led" versus "socially dominant" models. This framework allowed the researcher to interpret findings not only in terms of legal texts but also in relation to historical, institutional, and socio-cultural contexts. Triangulation was applied by comparing official laws with academic interpretations and international assessments to enhance validity.

3. Results

3.1 Comparison of types of dispute resolution mechanisms between China and Laos

3.1.1 Comparative Analysis of Litigation Mechanisms between China and Laos

➤ Similarity analysis: China and Laos share similarities in their litigation systems, including principles, independence, rights, and obligations, reflecting their shared understanding of litigation in various aspects: (1). China and Laos' litigation systems are based on judicial independence, ensuring objectivity and impartiality of judgments. These independent judicial bodies adjudicate by independent judicial organs, ensuring fairness and protection of legitimate rights and interests of parties involved. (2). China and Laos have unique litigation systems, allowing both parties to file lawsuits, defend themselves, and provide evidence. These systems ensure fair and impartial participation in the litigation process, allowing both parties to argue and provide evidence. (3). China and Laos both have similar litigation procedures for case review, including prosecution, response, trial, and judgment, albeit with differences due to their legal systems and cultural backgrounds. (4). China and Laos have varying litigation systems, requiring parties to pay fees and apply for property preservation and fee reduction under specific conditions. These regulations aim to protect legitimate rights, ensure cost-effectiveness, and prevent economic difficulties in protecting rights. (5). China and Laos have implemented legal aid systems to assist economically disadvantaged parties, offering free consultations and litigation representation. These systems promote social fairness and justice, alleviating the economic barriers faced by these parties.

➤ Differential analysis: China and Laos differ significantly in their legal systems, judicial structures, litigation procedures, trial methods, evidence rules, and proof standards: (1). Laos' judicial structure is more complex than China's, with a broader range of courts including the People's Court. This has led to differences in litigation procedures, jurisdiction, and judicial practices between the two countries. In contrast, China's

legal system consists of a broader range of courts, including specialized ones like the Maritime and Military Courts. (2). Laos' litigation procedures are simplified, focusing on quick dispute resolution and oral hearings. China, on the other hand, emphasizes written trials and evidence review for rigor and impartiality. The country's litigation procedures are more complex, including multiple stages like prosecution, filing, trial, and judgment, each with strict time limits and procedural requirements. (3). Evidence rules in China and Laos differ significantly. Laos emphasizes intuitiveness and directness of evidence, while China has a comprehensive system with detailed regulations for collection, preservation, examination, and determination. China's certification standards are stricter, requiring sufficient and conclusive evidence to exclude reasonable suspicion. (4). Both China and Laos offer judicial remedies for appeal and retrial, with differences in regulations and operational procedures. Laos' appeal system is simpler, with lenient deadlines and reasons, while China has a complete system with strict regulations on conditions, deadlines, and procedures.

3.1.2 Comparative analysis of mediation mechanisms

➤ Similarity analysis: China and Laos share similarities in their mediation systems, highlighting the common value and role of mediation as a non-litigation dispute resolution method in their legal systems: (1). The mediation systems of China and Laos prioritize voluntariness, legality, and impartiality. The process should be voluntary, legal, and non-violent, while maintaining impartiality to protect legitimate rights and interests. The content must comply with legal provisions and not favor any party. (2). Both countries' mediation systems aim to resolve disputes through non-litigation methods, reduce court burden, and improve efficiency. Mediation is flexible, convenient, and promotes social stability by reducing litigation costs, shortening resolution times, and maintaining harmonious relationships. (3). China and Laos' mediation systems are

versatile, addressing civil, economic, and minor criminal disputes. Parties can choose to resolve them through mediation, making it a crucial method for both countries in resolving disputes. (4). Both countries' mediation systems prioritize standardization and flexibility in procedures and methods. Mediators promote communication and consultation between parties through listening and proposing solutions. They also choose appropriate methods like face-to-face or written mediation based on the specific dispute situation to ensure smooth progress. (5). Both China and Laos have mediation systems that grant legal validity to mediation results. Parties must consciously fulfill agreements, and if one party fails, the other can enforce them through legal means, ensuring the execution of mediation results and maintaining its authority.

➤ Differential analysis: China and Laos have distinct mediation systems due to their distinct legal traditions, cultural backgrounds, and social needs: (1). Laos and China have distinct legal traditions and cultural backgrounds, resulting in varying mediation systems. Laos' legal system is influenced by the continental legal system, emphasizing normativity and certainty, while China's legal tradition integrates modern reforms, creating a unique legal system. This difference in legal traditions affects the concepts, principles, and implementation methods of mediation. (2). Laos and China have different mediation institutions and personnel. Laos' mediation institutions are simple, relying on courts and official institutions, with mediators focusing on legal norms and dispute resolution efficiency. In contrast, China's mediation institutions are more diversified and specialized, including people's committees and court mediation rooms. These differences result in differences in the operation and effectiveness of mediation systems between the two countries. (3). Laos' mediation procedures are simple and flexible, focusing on voluntary participation and negotiation. They mainly use oral communication, with fewer written records. In contrast,

China's mediation procedures are standardized and systematic, including stages like application, acceptance, and reaching agreements. The differences in procedures and methods affect the efficiency and fairness of the mediation systems.

3.1.3 Comparative analysis of arbitration mechanisms

➤ Similarity analysis: China and Laos share similarities in arbitration mechanisms: (1). China and Laos both follow principles of voluntariness, independence, fairness, and impartiality in their arbitration mechanisms. Both parties can choose to initiate proceedings, ensuring their autonomy in dispute resolution. Arbitration institutions are independent from administrative agencies and organizations, ensuring fairness and authority. Arbitrators must handle cases fairly and reasonably, safeguarding the legitimate rights and interests of the parties. Both systems aim to ensure equal and just dispute resolution. (2). Arbitration agreements in China and Laos are crucial for legal validity, allowing parties to choose dispute resolution methods and accept cases. Unless legally invalid, parties must comply and submit disputes for resolution. (3). Arbitration awards in Laos and China can be recognized and enforced by courts, demonstrating the effectiveness of the arbitration system in dispute resolution. This ensures the protection of legitimate rights and interests of parties.

➤ Differential analysis: China and Laos have distinct systems: (1). Laos' arbitration system is simple, based on domestic regulations, while China's system is complex, with multi-level institutions and industry-specific rules, ensuring standardization and impartiality in arbitration activities. (2). The arbitration system in Laos primarily handles commercial disputes, while in China, it handles contract and property rights disputes, demonstrating its internationalization advantages. (3). Laos' arbitration procedure is flexible, focusing on negotiation and mediation, while the Chinese arbitration system emphasizes fairness, efficiency, and transparency. Chinese institutions have dedicated courts for trial and

arbitration, with strict regulations for tribunal composition and procedures. (4). The internationalization of China's arbitration system has been significant, with many institutions joining organizations and receiving recognition globally. However, Laos' system needs to strengthen its exchanges and cooperation with the international community.

3.2 Comparison of the Structure of Dispute Resolution Mechanisms between China and Laos

3.2.1 The Structure and Reasons of China's Dispute Resolution Mechanism

China's dispute resolution system has evolved from socially led mechanisms to a state-led model and is now moving toward "collaborative interaction" between state, community, and other actors. Since 1949, governance structures in urban and rural areas have integrated traditional and collective resources, forming a dual governance system that combines official authority with community-based resolution. By the early 2000s, a sharp rise in judicial capacity reflected growing state leadership, but over reliance on courts revealed limitations in addressing complex disputes. Policy milestones—such as the 2000 Opinions on Strengthening Grassroots Mediation, the 2006 Decision on a Harmonious Society, and the 2009 judicial confirmation system—sought to balance people's, administrative, and judicial mediation. Despite progress, non-governmental mechanisms remain underutilized. Recent reforms emphasize activating social forces, enhancing administrative mediation, and coordinating litigation with non-litigation channels, as reinforced by the 2021 Opinions on Strengthening Litigation Source Governance.

3.2.2 The Structure and Reasons of Laos Dispute Resolution Mechanism

Laos's dispute resolution system remains largely "socially dominant," shaped by Buddhist traditions where monks and community leaders play key roles as moral guides and mediators. This cultural approach prioritizes reconciliation, mutual respect, and avoidance of

litigation, fostering harmony and reducing conflict. Since 1975, the Lao government has strengthened village-level mechanisms, supported by Prime Minister's Order No. 53, to coordinate local dispute settlement. Legal reforms include Law No. 08 (2005), Decree No. 02 (2007), Judicial Order No. 210 (2009), and the revised Economic Dispute Resolution Law (2018), which enhanced standardization and regional integration. WTO accession in 2013 and participation in the Belt and Road Initiative in 2015 spurred further judicial reforms, including specialized dispute resolution bodies and alignment with international trade rules. Ongoing efforts focus on training mediators, improving legal capacity, and promoting collaborative interaction between traditional community methods and formal judicial processes.

3.3 Comparison of Dispute Resolution Mechanisms between China and Laos

3.3.1 Comparison of Procedure Initiation in Dispute Resolution Mechanisms

(1). The Procedure Initiation of China's Dispute Resolution Mechanism.

In China, disputes may be resolved through reconciliation, mediation, arbitration, or litigation, with parties selecting the most appropriate method. Mediation can be conducted independently or via third-party agencies, while arbitration requires a formal agreement specifying the institution, rules, and venue. Litigation remains the ultimate authority, involving formal filing, evidence submission, and judicial review. Specialized institutions also handle certain disputes, each with distinct procedures.

In recent years, China has promoted pre-litigation mediation, particularly for civil cases. The 2015 "Opinions on Improving the Diversified Dispute Resolution Mechanism" encouraged grassroots courts to mediate cases such as family, labor, consumer, and traffic disputes before formal hearings. In 2016, reforms allowed mediation even after a lawsuit was filed. The process includes voluntary initiation, supported by

notices highlighting cost savings, and in some cases, compulsory mediation for suitable disputes, leading to higher settlement rates and reduced court burdens.

(2). Initiation of the dispute resolution mechanism in Laos

Laotians often mediate disputes through community, family, or friends, or submit them to village courts. These prestigious civil mediation organizations, often village elders or community members, listen to both parties' statements, understand the dispute process, and propose solutions. If both parties accept the mediator's advice, the dispute resolution process ends without further legal proceedings. If community mediation fails or complex disputes arise, parties may apply for mediation from local government or specialized institutions. They must submit a written application, explain the dispute's situation, points of dispute, and expected resolution method. The institution reviews the application and arranges for mediators to resolve the dispute through negotiation and mediation. If mediation fails or the dispute involves serious legal issues, parties may file a lawsuit with the court. They must prepare necessary materials, submit them, and the court reviews them. If successful, a trial will be arranged. Laos' dispute resolution process emphasizes negotiation, mediation, and reconciliation, with parties attempting to resolve disputes through community mediation or other means. If unresolved, they may apply for mediation or file a lawsuit. Currently, labor and commercial disputes are the most common, involving economic interests and foreign enterprises and business personnel.

3.3.2 Comparison of Dispute Resolution Mechanisms in Handling Procedures

China's dispute resolution mechanism is diversified and standardized, involving civil litigation, administrative litigation, and arbitration procedures. It emphasizes mediation and arbitration, with courts organizing mediation for fair and efficient resolution. Laos' dispute resolution mechanism is simple and

flexible, focusing on voluntary participation and negotiation. Lao elders and priests have taken into account ethical and moral concerns to foster a more cohesive community over generations. It emphasizes maintaining relationships and avoiding further conflict escalation. Legitimacy and leverage have a major impact on the success or failure of mediation and are crucial to successful mediation but have a very different meaning and content in the case of religious actors. Laos also has a dedicated court system for disputes that cannot be resolved through mediation. Laos' dispute resolution mechanism emphasizes flexibility and mediation culture, while China's focuses on standardization and diversification, highlighting the differences in societal, cultural, and legal characteristics between the two countries: Firstly, in Laos, dispute resolution procedures are more flexible due to traditional culture, with informal channels like community or family mediating disputes. In contrast, China's initiation of procedures is more standardized, requiring parties to file lawsuits or apply according to legal procedures, with courts or arbitration institutions reviewing applications. Secondly, the legal systems in Laos and China differ significantly, impacting dispute resolution procedures. Laos' simple, uncodified system relies on traditional customs and community norms, while China's complete system, including the Civil Code and Civil Procedure Law, provides clear legal basis and norms. Lastly, the judicial system in Laos is simple, centralized, and efficient, while China's complex system includes multiple levels and specialized courts. China also has dispute resolution institutions like arbitration and mediation committees, providing diverse channels for parties involved.

4. Discussion

The comparative analysis of dispute resolution mechanisms between China and Laos reveals both convergence and divergence shaped by legal history,

institutional capacity, and socio-cultural context. While both countries emphasize harmony, mediation, and social stability, their systems differ markedly in structure, procedural rigor, and international engagement.

First, China's dispute resolution framework reflects a state-led and institutionalized model that integrates litigation, arbitration, and mediation under a unified legal framework. Reforms since the early 2000s have sought to balance judicial authority with social governance, promoting diversification and standardization of non-litigation mechanisms (Fu, 2018; Peerenboom, 2020). Digital innovation, exemplified by online dispute resolution (ODR) systems, has further enhanced efficiency and transparency (Yu & Jiang, 2023; Wang, 2024). By contrast, Laos retains a socially dominant model rooted in Buddhist ethics and community reconciliation, where informal mediation by elders and local authorities remains central (UNDP, 2016; Sisombat, 2020). This approach fosters community harmony but limits enforceability and consistency in outcomes.

Second, the institutional gap between the two systems is evident in arbitration and enforcement. China's arbitration institutions such as CIETAC operate under codified procedures with international recognition (CIETAC, 2022), while Laos's framework remains nascent and primarily domestic (Lao PDR Ministry of Justice, 2019). This disparity constrains cross-border commercial dispute resolution, especially as investment and trade grow under the Belt and Road Initiative (Huang & Leung, 2020; World Bank, 2021). Strengthening Laos's arbitration infrastructure and aligning it with international standards is essential for fostering investor confidence and legal predictability ((United Nations Commission on International Trade Law, 2021).

Third, the cultural and procedural dynamics of both countries shape public trust and participation. In Laos, moral persuasion and social pressure are central tools for conflict resolution, reflecting Buddhist conceptions of reconciliation and compassion (UNDP,

2016). China, conversely, has shifted from moral to procedural authority, emphasizing codified rules and judicial oversight to maintain legitimacy (Peerenboom, 2020; Li, 2024). These cultural underpinnings explain the divergent paths of institutional development: while China seeks procedural justice through codification and digitization, Laos prioritizes relational harmony through social mediation.

Moreover, the comparative results indicate that cross-border cooperation mechanisms remain underdeveloped. Despite the establishment of bilateral agreements on trade and investment, no integrated China–Laos dispute resolution platform exists (Asian Development Bank, 2020; Qin, 2023). This absence creates uncertainty for enterprises operating along the China–Laos Economic Corridor. Coordinated initiatives such as establishing a joint arbitration center or mutual recognition of awards could enhance legal integration and minimize transaction costs (Huang & Leung, 2020; World Bank, 2021).

Finally, the findings highlight the future direction for convergence. Laos can draw lessons from China's experience in institutionalizing ADR, while China may benefit from Laos's community-based participatory approaches to promote social legitimacy and reduce judicial burdens. Both countries could pursue a hybrid model integrating formal and informal mechanisms, supported by capacity-building programs, regional cooperation frameworks, and digital platforms for cross-border mediation and arbitration (Wang, 2024; Zheng, 2024). Such collaboration would advance not only dispute resolution efficiency but also regional legal harmonization within ASEAN and the Belt and Road Initiative.

5. Conclusion

This comparative study demonstrates that while China and Laos share a cultural preference for harmony and mediation, their dispute resolution mechanisms differ significantly in terms of institutionalization, procedural

standardization, and enforcement capacity. China's system reflects a state-led, diversified, and modernized structure that integrates litigation, mediation, and arbitration under a coherent legal and policy framework. Continuous reforms have enhanced the professionalism and credibility of its institutions, supported by digital governance and international cooperation. In contrast, Laos's system remains socially oriented and community-based, grounded in Buddhist traditions of reconciliation and moral consensus. Although this approach fosters social harmony and accessibility, it faces challenges in enforceability, procedural clarity, and international recognition.

The growing economic cooperation under the China–Laos Economic Corridor highlights the need for more consistent and coordinated mechanisms to manage cross-border disputes effectively. Current differences in legal structure and institutional capacity may hinder investor confidence and create uncertainties for international commercial activities. To address these issues, both countries should promote mutual legal understanding, strengthen arbitration frameworks, and establish joint platforms for mediation and enforcement.

Looking forward, the integration of formal and informal approaches offers a promising path. Laos can benefit from China's institutional and technological advancements, while China can draw from Laos's culturally rooted reconciliation practices to strengthen social legitimacy in dispute resolution. By developing cooperative frameworks and capacity-building initiatives, both nations can enhance fairness, accessibility, and efficiency in their legal systems, contributing to regional stability and sustainable economic development.

6. Conflict of Interest

We certify that there is no conflict of interest with any financial organization regarding the material discussed in the manuscript.

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