

[Mubarak could learn from Brussels' Contract Law "consultation"](#)

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The public consultation period on a new European contract law ended on Monday. But experts started drafting it [in May 2010](#) [3]. Furthermore, the outcome of the consultation has already been decided: EU Justice Commissioner Viviane Reding stated that the 181 responses they had received were evidence of support for the idea, and added, as an afterthought: "...the Commission will now look at these replies before making a concrete proposal?". Mubarak could still learn a trick or two from the EU.

We need European Contract law like a fish needs a bicycle. Contract parties freely choose the law which governs their international contracts. The reputation of English contract law is such that it is chosen by millions of contracting parties all over the world. English law is the law chosen in [40% of contracts](#) [4] where disputes are the subject of international arbitration (New York law is next with 17%). There is no guarantee that English law will have this advantage forever; it is perfectly feasible that one day Chinese or Brazilian or Papuan Guinean law will be chosen. There is, in fact, a worldwide free market ? the best law is chosen by parties according to their needs.

Introducing an optional model of EU contract law is but one of the options in the EU's [Green Paper](#) [5]. Other policy options are full harmonisation of national contract laws by means of an EU Regulation; and ? wait for it ? a full-fledged European Civil Code, replacing all national rules on contracts.

It is competition which shows us what works and what doesn't ? not harmonisation. This does not only apply to economic activity; it also applies to rules and regulations. And dire consequences from bad trading methods or laws are infinitely worse if they apply to more people and there is no escape.

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