

# Hybrid ADR models spanning the labyrinth of esoteric multiparty commercial transactions.

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## Abstract

In today's global business world, many commercial transactions involve multiple parties from different countries and sectors. These transactions are often complicated and can lead to disputes that are hard to solve using traditional legal methods. This paper explains how hybrid Alternative Dispute Resolution (ADR) models can help manage and resolve such complex, multi-party commercial disputes effectively.

## Introduction

Large business deals—like infrastructure projects, international trade agreements, or cross-border investments—often involve many parties, such as governments, private companies, banks, contractors, and suppliers. These parties may be governed by different laws, cultures, and languages. When a conflict arises, it becomes difficult to find a one-size-fits-all solution. Traditional court litigation is usually slow, expensive, and lacks flexibility. Even single ADR methods like arbitration or mediation sometimes fall short. This is where hybrid ADR models come into play.

## What Are Hybrid ADR Models?

Hybrid ADR models combine two or more dispute resolution methods. Common examples include:

- **Med-Arb:** First, parties try to settle the matter through mediation. If that fails, the mediator becomes an arbitrator and gives a binding decision.
- **Arb-Med:** Arbitration starts first, but the arbitrator pauses the process to try mediation.
- **Multi-tier clauses:** Contracts require several steps—negotiation, followed by mediation, and then arbitration.

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These models aim to provide a balance between friendly discussion and a binding decision.

### **Why Are They Useful in Complex Cases?**

Multipart commercial deals are not only legally complex but often involve emotional, financial, or political pressure. For example, in a large construction project involving international funding, a delay caused by one small contractor could lead to disputes across the chain. In such a situation, hybrid ADR allows problems to be handled at different levels:

- **Simple issues** (like technical delays) can be resolved through expert opinion or mediation.
- **Serious legal issues** (like breach of contract) can be taken to arbitration for a final decision.

This approach avoids wasting time and keeps the business relationship intact.

### **Benefits of Hybrid ADR:**

- **Flexibility:** Parties can choose the best method for different stages.
- **Time and cost-saving:** Disputes may be resolved faster than in court.
- **Privacy:** ADR processes are usually confidential.
- **Preservation of business ties:** Mediation helps avoid hostility.

### **Challenges:**

However, hybrid ADR also has some problems:

- **Legal uncertainty:** Some countries may not fully support hybrid ADR outcomes.
- **Neutrality issues:** If the same person acts as both mediator and arbitrator, it could raise fairness concerns.
- **Participation:** Getting all parties to agree to the same process can be difficult in multi-party contracts.

**Conclusion:**

Hybrid ADR models are a practical and modern way to resolve complex commercial disputes, especially when many parties are involved. They offer a smart mix of flexibility, speed, and fairness. However, for these models to work smoothly, legal systems must support them, and professionals must be trained to handle them properly.

**References**

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