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Can Arbitration Be Effectively Enforced as an Alternative Dispute Resolution (ADR) Mechanism in Pakistan?

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Abstract

This study aims to investigate the feasibility of implementation of arbitration as an Alternative Dispute Resolution (ADR) mechanism in Pakistan from legal, judicial and institutional perspective. The study was designed as a qualitative exploratory case study, which included semi-structured interviews with 20 participants, comprising judges, lawyers, arbitrators, and legal scholars, and the analysis of pertinent legislation, judicial rulings, and policy documents. The results showed that while arbitration is known as an alternative to litigation that is efficient and cost effective, its enforcement is limited by outdated laws, delays in the process, too much judicial interference, institutional shortcomings, and lack of awareness among legal practitioners. Participants acknowledged that arbitration holds great promise for reducing congestion in court and enhancing justice delivery, if the necessary reforms are put in place. The study recommends that the arbitration law should be modernized, institutions' capacity should be strengthened, judicial uniformity must be achieved and professional training of arbitrators must be promoted in order to boost the enforceability of arbitral awards and increase the confidence in Pakistan's ADR mechanism.

Keywords: Alternative Dispute Resolution (ADR), Arbitration, Enforcement of Arbitral Awards, Judicial Intervention, Legal Reform, Pakistan, Qualitative Research.

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Introduction

Pakistan has a dual dispute resolution system, formal judicial litigations and alternative dispute resolution (ADR) processes (Iqbal, 2016; Formal Alternative Dispute Resolution (ADR) in Gilgit-Baltistan: Policy Paper, 2022). Although the formal court system is still the main channel of dispute resolution, it is becoming increasingly paralyzed by case backlogs, procedural delays, and procedural inefficiencies, which adversely affects timely access to justice (Javed, 2025; Khan, 2025). The need to use ADR mechanisms as an additional means of settling disputes within the civil and commercial landscape has increased because of these structural restrictions (Ahmad, 2025; Arshad & Saleem, 2025).

Over the last few years, ADR has become a more popular and accepted way in Pakistan's justice delivery system. It is important because it offers an efficient and cost-effective, and less adversarial, way to resolve conflicts than traditional litigation (Arshad & Saleem, 2025; Jurgees et al., 2024). Institutionally, the process of incorporation of ADR into the formal legal system has been moving slowly, as evidenced by legislative reforms and policy developments, especially after 2010 (Fatima, 2022; Khan & Abbasi, 2023). However, the effectiveness of its practical application is limited by weak institutional capacity, lack of legal stakeholder's awareness, and poor implementation in jurisdictions (Community Participation, the Missing Link in Pakistan's ADR System: The Way Forward, 2023; Baig, 2024).

Arbitration is one of the most important forms of alternative dispute resolution, especially when it comes to cross-border and commercial disputes. It is highly appreciated for providing party autonomy, procedural flexibility, confidentiality and enforcement of results (Ahmed et al., 2025; Tahir, 2023). The Arbitration Act 1940 and the Recognition and Enforcement (Arbitration Agreements and Foreign Arbitral Awards) Act 2011 (Baig et al., 2024) are the primary pieces of legislation that regulate arbitration in Pakistan. However, arbitration is often undermined by judicial intervention, different interpretations of the statutory provisions, and procedural complexities that influence the finality of arbitral awards (Ahmad, 2025b; Arain, 2025; Sarwar, 2023).

Although the award is recognized by the courts, its enforcement is a constant problem in Pakistan. In many cases, the courts take an interventionist stance, for instance, by allowing for sweeping exceptions to depart from public policy and procedural irregularities (Ahmad, 2025b; Baig et al., 2025). The courts' review puts an end to the principle of finality in arbitration and adds uncertainty to the enforceability of arbitrations, which ultimately diminishes the utility of arbitration as an alternative to court action (Panzai et al., 2025; Khan et al., 2025).

Although there exists a lot of doctrinal literature on the arbitration laws in Pakistan, there exists a significant dearth of qualitative and empirical study on the enforcement of arbitral awards in practice. Specifically, there has been limited research that has investigated the interplay between judicial attitudes, procedural delays, and institutional inefficiencies in the enforcement process more closely in real life (Mukhtar et al., 2025; Ullah, 2025). This divide limits the ability to have a comprehensive understanding of arbitration's functional efficiency in Pakistan's legal landscape (Faizan et al., 2024; Ahmad, 2025).

Research Objectives

1. To examine the legal and institutional framework governing the enforcement of arbitration as an Alternative Dispute Resolution (ADR) mechanism in Pakistan.
2. To explore the legal, judicial, and institutional challenges affecting the effective enforcement of arbitration in Pakistan.
3. To evaluate whether arbitration can be effectively enforced as an Alternative Dispute Resolution (ADR) mechanism in Pakistan and identify reforms to strengthen its implementation.

Research Questions

1. How does Pakistan's legal and institutional framework support the enforcement of arbitration as an Alternative Dispute Resolution (ADR) mechanism?
2. What legal, judicial, and institutional challenges affect the effective enforcement of arbitration in Pakistan?
3. Can arbitration be effectively enforced as an Alternative Dispute Resolution (ADR) mechanism in Pakistan, and what reforms are required to strengthen its implementation?

This study is highly relevant because of the critical assessment of arbitration as an ADR mechanism capable of being enforced in the developing legal framework of Pakistan (Ahmad, 2025b; Javed, 2025). It helps to continue the academic and policy debate around structural and judicial challenges for effective enforcement (Arain, 2025; Sarwar, 2023). Moreover, it highlights the need for judicial reform and uniformity to improve the reliability of arbitration, ease the burden on courts, and bring the dispute resolution system in Pakistan in line with international best practices (Baig et al., 2024; Panezai et al., 2025; Ullah, 2025).

Literature Review

Concept of ADR and Arbitration: A Global Perspective

Alternative Dispute Resolution (ADR) has become a widely used tool for dispute resolution, and is recognized around the world as an alternative to the courts. ADR is a set of dispute resolution processes, which include negotiation, mediation, conciliation and arbitration, that seek to provide parties with faster, cheaper and more flexible means of dispute settlement (Fatima, 2022; Baig, 2024). Of these, arbitration is specifically one of the mechanisms that is unique in that it generates a binding and enforceable decision, but maintains party autonomy and procedural flexibility (Faizan et al., 2024). Internationally, arbitration has emerged as a preferred way of resolving commercial disputes for its neutrality, confidentiality, efficiency and enforceability under international conventions including the New York Convention 1958 (Ahmed et al, 2025; Tahir, 2023).

The increasing globalization of trade and investment has further strengthened the importance of arbitration. Arbitration is also advantageous for businesses that conduct cross-jurisdictional operations due to reduced jurisdictional issues and enforcement options that are known throughout the world. In response, a number of jurisdictions have updated their arbitration laws to fall in line with international standards, which in turn foster legal certainty and investor confidence (Baig et al., 2024; Khan et al., 2025).

Arbitration Frameworks: Influence of the UNCITRAL Model Law

The Model Law on International Commercial Arbitration of the United Nations Commission on International Trade Law (UNCITRAL) has had a great impact on the legislation of various countries around the world in the field of arbitration. The Model Law, which was adopted in 1985 and amended in 2006, has established a unified legislative framework that encourages party autonomy, reduces the role of courts in arbitration proceedings and makes the process of recognition and enforcement of arbitral awards more effective (Baig et al., 2024; Ahmed et al., 2025).

The UNCITRAL Model Law has been incorporated into the laws of many countries, such as Singapore, the United Kingdom, Australia and many developing economies, in various forms, resulting in laws that promote arbitration. The UNCITRAL Model Law has been incorporated in the laws of many countries in various forms, including Singapore, the United Kingdom, Australia and many developing economies, as laws that promote arbitration. The absence of interference in the courts in these jurisdictions, combined with the finality of arbitral awards, has been a major factor in the growth of confidence among investors, both domestic and foreign (Baig et al., 2024).

Pakistan has ratified the New York Convention, but there is a lacuna of the Convention in the domestic arbitration law in Pakistan, as noted by scholars. The lack of this legislation has led to such inconsistencies in the arbitration system that it is hard to reconcile with international standards on judicial intervention and enforcement processes (Sarwar, 2023; Tahir, 2023).

Arbitration in Pakistan: Arbitration Act 1940 and Recent Legal Reforms

The Arbitration Act 1940 is still the governing law of arbitration in Pakistan for domestic arbitration. While this legislation has been in existence for decades, and has been a foundation for arbitration, scholars repeatedly state that it no longer represents the complexity of modern commercial transactions or international arbitration practice (Ahmad, 2025b; Sarwar, 2023).

These gaps were identified and Pakistan enacted the Recognition and Enforcement (Arbitration Agreements and Foreign Arbitral Awards) Act, 2011 to comply with its obligations under the New York Convention on Foreign Awards. The enactment was a significant piece of legislative progress, as it enhanced the laws surrounding the recognition and enforcement of international arbitral awards (Baig et al., 2024; Tahir, 2023). Despite this, domestic arbitration is still governed by the old Arbitration Act 1940, resulting in a piecemeal system that establishes different rules for arbitration in relation to international and domestic arbitration without offering a common framework of law (Ahmad, 2025b). Recent studies also suggest that Pakistan's arbitration system remains plagued with procedural flaws, legal uncertainties, and a lack of institutional support, even after the passage of reform legislation. The limitations mentioned above affect the desirability of arbitration and its efficacy as an alternative to traditional litigation (Arain, 2025; Ahmad, 2025b).

Judicial Role in Arbitration Enforcement

Judicial enforcement is one of the most important factors of the effectiveness of arbitration. As arbitration is fundamentally a process of finality and enforceability of arbitral awards, judicial involvement is, in general, considered a critical principle in international arbitration (Ahmed et al., 2025). However, in Pakistan, the courts have had relatively expansive supervisory jurisdiction over arbitration proceedings. The scholars have identified the following challenges to effective enforcement of arbitral awards: excessive judicial review, delays in the proceedings and broad scope of public policy exceptions (Arain, 2025; Baig et al., 2025). Dispute resolution continues to

be subject to procedural considerations that could otherwise be left to arbitral tribunals, which also increases the costs of dispute resolution and diminishes its comparative benefits (Ahmad, 2025b).

The legal landscape has seen recent developments and judicial attitudes have slowly evolved and become more favorable after the introduction of the Recognition and Enforcement Act 2011, however, the seeming inconsistencies among judges remain a source of uncertainty in the implementation of the recognition and enforcement of these rights. Overlapping court involvement results in party distrust and higher litigation costs, and reduces the effectiveness of arbitrations for settling domestic and international commercial disputes (Panezai et al., 2025; Khan et al., 2025).

Previous Studies on ADR Effectiveness in South Asia

Studies from all over South Asia have found that ADR is effective in reducing judicial backlog, easing access to justice and facilitating cost-effective dispute resolution (Mukhtar et al., 2025; Khan & Abbasi, 2023). According to comparative studies, countries with modern arbitration laws and the existence of specialised arbitration institutions have seen increased confidence of commercial actors and foreign investors (Baig et al., 2024).

Despite this, scholars recognize that ADR has been given more and more legislative and institutional attention both within Pakistan and after the year 2010. However, the use of ADR is still limited because of the lack of institutional capacity, lack of awareness among legal practitioners, and unwillingness to abandon the traditional approach to litigation (Javed, 2025; Community Participation, the Missing Link in Pakistan's ADR System: The Way Forward, 2023). Likewise, Kaya and Khan have stated that Pakistan has implemented reforms that support the integration of ADR and Online Dispute Resolution (ODR) but several technological, cultural, and regulatory hurdles still exist to the general application of ADR (Kaya & Khan, 2022).

Comparative literature also shows that jurisdictions that have modernized their arbitration laws and limited judicial involvement have seen a higher level of enforcement and commercial confidence, while jurisdictions that still have outmoded arbitration laws have reported lower rates of enforcement and commercial confidence (Baig et al., 2024; Ahmed et al., 2025).

Identified Research Gap

A comprehensive discussion on the arbitration law, judicial pronouncements and comparative law developments in Pakistan can be found in the existing literature. The majority of the studies use doctrinal or comparative legal approaches that are mainly based on statutory interpretation and case law analysis (Ahmad 2025b, 2025a; Baig et al. 2025). Nevertheless, the qualitative studies on the enforcement of arbitral awards are relatively limited, as they view the enforcement from the perspectives of judges, arbitrators, lawyers and commercial stakeholders (Ahmad, 2025; Javed, 2025).

Moreover, limited studies specifically address the multi-faceted impact of institutional practices, judicial mindsets, procedural delays and administrative hurdles on enforcement success in Pakistan's arbitration system (Arain, 2025; Panezai et al., 2025). Thus, there is a considerable gap in the empirical data on implementation of arbitration awards in Pakistan. Qualitative investigation can help fill this void and help identify institutional and procedural impediments to arbitration enforcement and help design evidence-based reforms in the arbitration system in Pakistan (Ullah, 2025; Ahmad, 2025).

Theoretical Framework

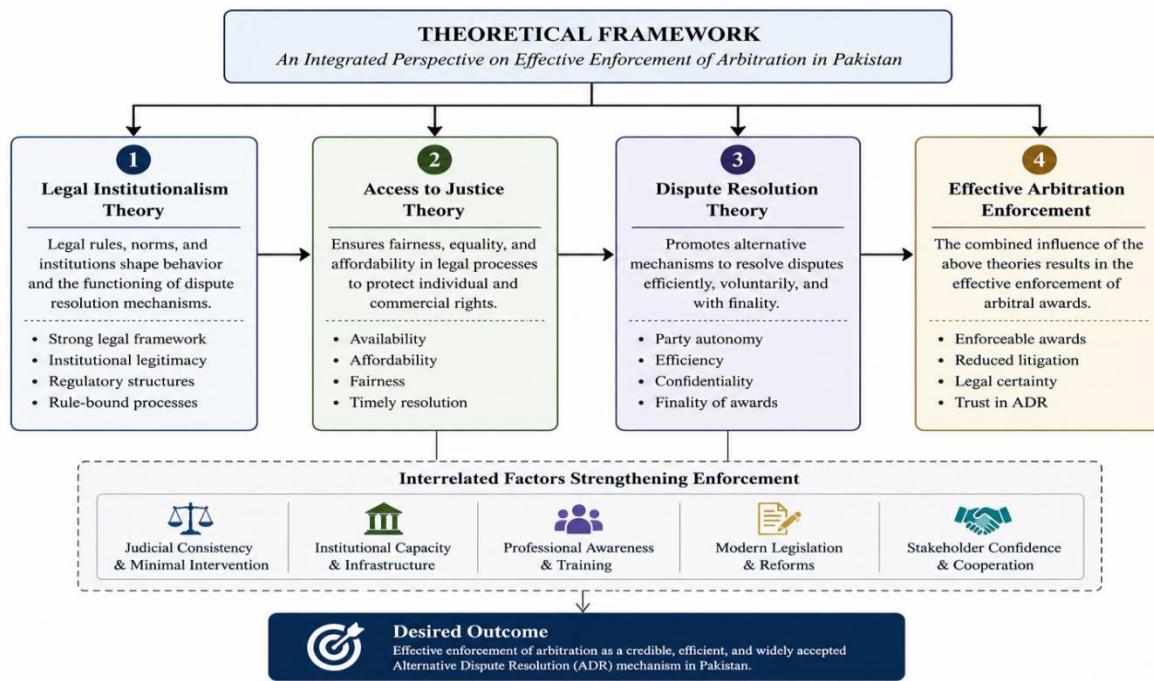
The study is based on three related theories: Legal Institutionalism Theory, Access to Justice Theory and Dispute Resolution Theory. These theories when taken together offer a holistic perspective on the enforcement of arbitration as an Alternative Dispute Resolution (ADR) mechanism in Pakistan by explaining how legal institutions work together, citizens are able to access justice, and dispute resolution processes are efficient.

According to the Legal Institutionalism Theory, the success of any legal instrument relies on the power, stability, and ability of the institutions that implement and enforce the law. The theory is not only one of legislation and statutory provisions, but also one on the interplay of courts, arbitral tribunals, the law and law-making bodies that determine the outcome of legal decision making. While the Arbitration Act 1940, the Recognition and Enforcement (Arbitration Agreements and Foreign Arbitral Awards) Act 2011, and recent ADR initiatives offer a legal framework for arbitration, institutional shortcomings, inconsistent judicial practices, procedural delays, and a lack of implementation capacity affect the enforceability of arbitral awards (Ahmad, 2025b; Arain, 2025; Javed, 2025). Therefore, it is argued, law alone is not sufficient to guarantee the success of arbitration but efficient and supportive legal institutions are also required (Baig et al. 2025, Ullah 2025).

The second theoretical base is Access to Justice Theory, which focuses on the importance of access to justice for everyone to be affordable, timely, accessible, and equitable. One of the primary goals of ADR is to streamline the dispute resolution process by cutting down on litigation expenses, time, and complexity, while ensuring fairness and autonomy for the parties involved (Arshad & Saleem, 2025; Jurgees et al., 2024). As such, arbitration helps to further justice more efficiently than overburdened courts. Nevertheless, the theory also acknowledges the need for awareness, trust of the institutions, enforcement of awards, and trust in the judiciary (Community Participation, the Missing Link in Pakistan's ADR System: The Way Forward, 2023; Khan, 2025). The judiciary system is still underutilized in Pakistan with huge queues of cases and empowering arbitration could help improve meaningful access to justice if there are proper enforcement mechanisms in place for the process (Panzai et al., 2025).

Finally, Dispute Resolution Theory provides an explanation of the comparative effectiveness of ADR methods to traditional litigation. The theory is that conflicts should be handled in the most efficient, collaborative and cost-effective manner considering the nature of the conflict. Arbitration generally is more party-autonomous, confidential, flexible, and final in nature, and therefore is better suited to commercial and contractual disputes (Ahmed et al., 2025; Faizan et al., 2024). However, its viability is reliant on minimal adjudicative involvement, binding arbitral decisions, and trust in arbitration bodies (Baig et al., 2025; Sarwar, 2023). This theory is therefore suitable to examine the efficiency and enforceability of arbitration as an alternative to litigation and its ability to de-litigate disputes in Pakistan (Ahmad, 2025b; Tahir, 2023).

Figure 1. *Integrated Theoretical Framework for Effective Arbitration Enforcement as an Alternative Dispute Resolution (ADR) Mechanism in Pakistan*



Research Methodology

Research Design

This study adopted a qualitative research design using an exploratory case study approach to investigate whether arbitration can be effectively enforced as an Alternative Dispute Resolution (ADR) mechanism in Pakistan. A qualitative design was deemed suitable for the study because the study aimed to understand participants' experiences, perceptions and professional interpretation of arbitration enforcement, rather than for measuring numerical relationships. Through the exploratory case study, a comprehensive analysis of the legal, institutional and practical issues of enforcing arbitration in the judicial and regulatory framework of Pakistan was achieved. This method is especially useful in analyzing intricate legal and institutional dynamics where contextual knowledge is crucial to uncovering deeper insights (Byrne, 2021; Ahmed et al., 2025).

Data Collection Methods

Data collected were from two complementary qualitative approaches. First, semi-structured interviews were conducted with the help of an interview guide that comprised of open-ended questions, which enabled the interviewees to share their experiences on issues of arbitration practices, judicial enforcement, institutional effectiveness, and barriers to the implementation of ADR in Pakistan. Semi-structured interviews gave the flexibility required to discuss issues that arose during the conversation, but also ensured that they were consistent within the group (Braun & Clarke, 2022; Ahmed et al., 2025). Second, document analysis was conducted to triangulate the data from interviews. The legal documents included the Arbitration Act 1940, Recognition and Enforcement (Arbitration Agreements and Foreign Arbitral Awards) Act 2011, relevant judgments of the Supreme Court and High Courts of the republic of Pakistan, case reports on arbitration matters and policy documents on the reforms in ADR. Interview data was used to complement

documentary evidence, which helped to increase the credibility and trustworthiness of the findings (Byrne, 2021).

Participants

Participants were selected using purposive sampling to ensure they had significant expertise in arbitration and civil dispute resolution. Participants were drawn from 5 lawyers who practice civil and commercial arbitration, 5 judges sitting in civil or commercial courts, 5 arbitrators or ADR practitioners, and 5 law professors or legal scholars who have a special interest in arbitration law and dispute resolution, making a total of 20 participants. The participants have been selected because they have personal experience regarding the arbitration process, judicial obstacles, legal education or mediation practice and thus have a holistic and informed view on the efficiency of arbitral enforcement in Pakistan.

Data Analysis

Thematic analysis according to systematic principles of qualitative analysis (Braun & Clarke, 2022; Kabir, 2024) was used to analyze the collected data. Interview transcriptions and documentary information was carefully read, coded, and interpreted using open coding, axial coding, and selective coding. Significant concepts and recurring ideas were identified in open coding, related codes were grouped into broader categories in axial coding and the codes were synthesized into themes that explained the arbitration enforcement in Pakistan in selective coding (Byrne, 2021). Through the iterative analytical process, patterns of institutional capacity, judicial support, legislative effectiveness, procedure and obstacles, and opportunities to enhance the capacity of ADR mechanisms were identified (Ahmed et al., 2025).

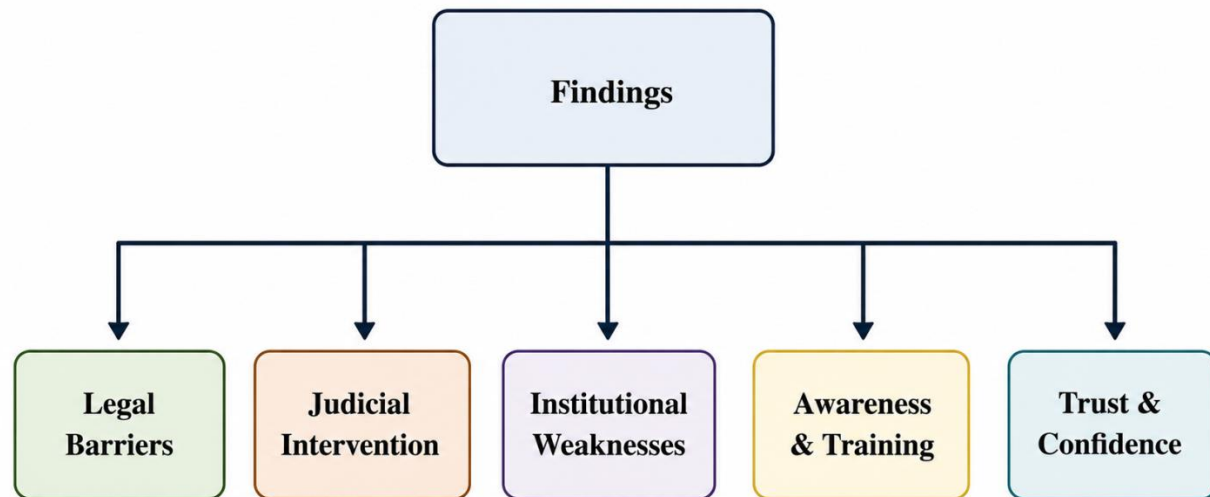
Ethical Considerations

Research was conducted in accordance with the ethical guidelines. Consent was obtained from all participants before interviews were conducted and the participants were provided with clear information about the purpose of the research, data usage, and rights. All interview records and research documents were anonymized and stored in a secure location and confidentiality was assured by maintaining anonymity of participants. The involvement was also voluntary and the participants had the opportunity to drop out of the study without any repercussions. The ethical actions were undertaken to ensure the credibility, integrity and trustworthiness of the qualitative inquiry (Braun & Clarke, 2022; Ahmed et al., 2025).

Findings and Thematic Analysis

Thematic analysis of twenty interviews revealed five significant themes to explore the success and difficulty of arbitration as an Alternative Dispute Resolution (ADR) tool in Pakistan. The participants included lawyers, judges, arbitrators and legal scholars, who discussed their experiences in enforcing arbitration, judicial practices, capacity of arbitration institutions and trust in arbitration.

Figure 2. Summary of the Five Major Themes Emerging from the Thematic Analysis



Theme 1: Legal and Procedural Barriers in Arbitration Enforcement

Almost all respondents highlighted that the main impediments to the effective enforcement of arbitrations in Pakistan are outdated laws and the procedural complexities. The continued use of the Arbitration Act 1940 was mentioned again and again by participants, who felt that it was no longer suitable to contemporary commercial transactions. Several attorneys contended that the arbitral decisions could be attacked over and over again by both parties, which delays the proceedings.

One commercial lawyer said:

P3 (Lawyer): *“The most challenging part is not arbitration; it is the archaic legal environment that permits a myriad of procedural challenges in order to prevent the enforcement of an award”.*

Likewise, a law professor commented:

P18 (Law Professor): *“Pakistan has evolved the enforcement of foreign arbitration but domestic arbitration is based on the law framed more than eight decades ago”.*

Judges also said there is a tendency to extend enforcement proceedings unnecessarily due to procedural requirements since arbitration was meant to be a more efficient process for resolving cases than litigation.

The results indicate that there is an urgent need to amend the legislation and streamline the procedure for more effective enforcement of arbitration in Pakistan.

Theme 2: Judicial Interference and Court Dependency

One of the participants' major complaints about arbitration enforcement was judicial over involvement. Most arbitrators believed that the courts are frequently called into the case to review issues that do not belong to the scope of arbitration and thus diminish the finality of the arbitration process.

One arbitrator explained:

P11 (Arbitrator): *“In many instances, arbitration ends up in court, which goes against the whole point of opting for arbitration”.*

A senior judge admitted:

P8 (Judge): *"Judges sometimes err on the side of caution in reviewing arbitral awards because they want to make sure they are being fair with the parties in the process".*

Another participant noted:

P14 (ADR Practitioner): *"Parties often use court proceedings strategically to delay compliance with arbitral awards."*

In general, the participants agreed that there is a need for some sort of judicial oversight to make sure the arbitrator is acting in a legal manner, but not excessive, since it slows down the proceedings, gets more expensive and prevents businesses from using arbitration.

Theme 3: Institutional Weaknesses in Arbitration Bodies

The other key themes were institutional capacity. The participants stated that Pakistan lacks effective ARI with adequate administrative, membership and case management systems and processes.

One arbitrator commented:

P12 (Arbitrator): *"The structures of our arbitration institutions are still not sufficiently developed in order to administer commercial cases in an efficient manner".*

A lawyer then said:

P17 (Law Professor): *"Good laws need strong institutions – institutional development is not keeping up with legislative reforms".*

The attorneys also noted that the arbitration centers' procedures differ, and that it can be difficult to determine what to expect when going to arbitration.

Participants suggested the creation of special arbitration centres, electronic case management system, and uniform rules of procedure for improving institutional effectiveness.

Theme 4: Awareness and Capacity of Legal Practitioners

The participants agreed that the overall level of awareness of arbitration is still low among legal practitioners, among business and amongst the general public. Many lawyers commented on the need for the adversarial tradition as the primary means of practicing law, as there was limited professional training in ADR.

One lawyer explained:

P2 (Lawyer): *"Arbitration is not given that much attention in legal education, and many advocates are more comfortable with court litigation."*

Likewise, the law professor said:

P20 (Law Professor): *"If Pakistan desires to pursue arbitration as a dispute resolution method, it is imperative to make it a mandatory part of the legal education".*

The judges also emphasized the importance of continuous judicial training in the standards of international arbitration and growth of ADR.

Participants generally felt that professional capacity building was an essential need to build their confidence and applicability of arbitration.

Theme 5: Trust and Perception of Arbitration Effectiveness

Participants acknowledged the challenges but believed arbitration has a great deal of potential to reduce judicial congestion and improve commercial dispute resolution if reforms are affected.

One judge remarked:

P6 (Judge): *"Arbitration can be a major reliever of pressure on our Courts where awards are consistently enforced, and where there is no undue and unnecessary delay".*

An arbitrator added:

Arbitrator P13: *"Confidence and certainty is what businesses want and with consistent arbitration enforcements, businesses will have that automatically."*

A business lawyer drew the following conclusions:

P5 (Lawyer): *"It is not just changes in the law that will determine the future of arbitration in Pakistan, but institutional credibility."*

Participants were generally optimistic, but were also expressing cautious optimism about the future of arbitration, which they felt will be further enhanced through the modernization of the laws, judicial uniformity, the development of institutions and professional training.

Summary of Findings

Thematic analysis revealed that various legal, judicial, institutional, and professional issues have an interdependent effect on the implementation of arbitration in Pakistan. Legislation, inadequate procedures, judicial involvement, institutional shortcomings, and lack of professional knowledge were the key issues that were repeatedly identified as the most significant obstacles to the effective enforcement of arbitration. Participants were also hopeful that arbitration could be an effective Alternative Dispute Resolution option, if the process could be further overhauled. Recommended changes to the archaic domestic arbitration laws, reduction of unwarranted judicial involvement, enhancement of arbitration institutions, training of more professionals, and increased public awareness of ADR. These are the direct findings addressing the research objectives of the study, which show that strengthening enforcement of arbitration would be the basic requirement to enhance the credibility and efficiency of arbitration in Pakistan's legal system.

Discussion

The results of this study show that arbitration as a process of Alternative Dispute Resolution (ADR) is popular, but has practical limitations in Pakistan due to judicial, legal and institutional obstacles. Arbitration consistently has provided a number of benefits to participants over the traditional litigation process, including procedural flexibility, confidentiality, cost-savings, and efficient dispute resolution. However, these benefits are significantly reduced through outdated laws, time-consuming enforcement processes and judicial inconsistencies. This study clearly supports Dispute Resolution Theory which states that arbitration is best suited when disputes are resolved by quick, flexible and cooperative procedures that avoid unwarranted court intervention (Ahmed et al., 2025; Faizan et al., 2024). Likewise, the results support the Access to Justice Theory which posits that dispute resolution must be timely, affordable and accessible. The participants noted that many of the goals of arbitration are lost when the parties remain in court for extended periods of time and arbitration is not an attractive alternative to traditional litigation (Arshad & Saleem, 2025; Jurgees et al., 2024).

The results further support the Legal Institutionalism Theory, which focuses on the role of institutions in implementing the legal mechanism and points to the fact that the effectiveness of the legal mechanism relies on not only legislation but also the role of the institutions in implementing the legal mechanism. Participants felt that the use of the Arbitration Act 1940 for domestic arbitration is still in force while the country has already enacted the Recognition and Enforcement (Arbitration Agreements and Foreign Arbitral Awards) Act 2011, this has led to a situation where there are inconsistencies in procedure and uncertainty in law. Additionally, institutional shortcomings such as shortage of administrative staff, poor arbitration infrastructure and inconsistent arbitration procedures also decrease the efficiency of arbitration enforcement. The results align with the earlier research that highlighted institutional weaknesses, and disjointed legal structures as significant challenges for the successful implementation of ADR in Pakistan (Ahmad, 2025b; Baig et al., 2024; Javed, 2025).

There are a number of difficulties in the Pak-ADR system which can be illustrated with reference to other systems of arbitration internationally as well. Participants observed that arbitrations conducted in arbitration-friendly jurisdictions like the United Kingdom, Singapore and Australia tend to be conducted in accordance with the UNCITRAL Model Law, which places emphasis on party autonomy, limits judicial intervention, and provides increased predictability on the enforcement of arbitral awards (Baig et al, 2024; Ahmed et al, 2025). These jurisdictions usually enforce arbitral awards in a final manner, and allow judicial review only in very limited circumstances, thus inspiring commercial confidence and boosting the incentive of international investment. By contrast, participants noted that Pakistani courts routinely review and analyze arbitral awards with great detail, including a review of procedures that should be left to the arbitral tribunal. This need for court supervision prolongs settlement periods and increases the expense and futility of arbitration. These findings are in line with the previous studies which have cited judicial interference as one of the major challenges to arbitration enforcement in Pakistan (Arain, 2025; Sarwar, 2023; Panezai et al., 2025).

The study also shows that weak enforcement is not solely due to one factor, but is a combination of obsolete laws, procedural delays, institutional constraints, lack of professional skills and knowledge about available ADR mechanisms in the public. Many participants indicated that conventional court litigation remains the preferred method for many attorneys, businesses and litigants, due to a lack of knowledge and inconsistent usage of arbitration. These observations corroborate the existing studies that suggest a lack of awareness, institutional trust, and professional competences are hindering the effectiveness of the ADR systems in Pakistan (Community Participation, the Missing Link in Pakistan's ADR System: The Way Forward, 2023; Khan & Abbasi, 2023). Thus, better legal education, specialized training in the use of ADR and public education would help promote the use of arbitration.

Last, the results highlight the importance of judicial efforts and institutional changes in the enforcement of arbitration. It was agreed that judicial support is and will continue to be necessary for recognition and enforcement of arbitral awards, but with a focus on the role of the judiciary as a mere mechanism of enforcement and not on re-evaluating the arbitral decision. Their suggestions were to modernise the Arbitration Act 1940 to bring its provisions in line with those of international arbitration, to provide specialised arbitration institutions, to better train the judiciary and to lay down uniform enforcement procedures. These changes would strengthen institutions, lessen the excessive judicial intrusion, improve the uniformity of enforcement decisions, and boost trust of domestic and foreign commercial stakeholders. These measures would enhance Pakistan's

ADR system and render arbitration a viable, effective, and trustworthy alternative to litigation in commercial and civil matters (Ullah, 2025; Khan et al., 2025; Javed, 2025).

Conclusion

The present study aimed to explore the perspectives of Pakistan's lawyers, judges, arbitrators and legal scholars with regard to the effectiveness of arbitration as an Alternative Dispute Resolution (ADR) process in Pakistan. Findings indicate that arbitration might be an alternative to the traditional court process that may be less costly, more flexible and faster. However, its operational utility has been limited by the following: out-dated legislation, delays in procedures, judicial interference, institutional shortcomings and lack of understanding of the legal profession and commercial actors. The findings answer the research questions and recommend that Pakistan has a law in place that favors arbitration, however structural and institutional hurdles exist in its successful implementation. Thus, arbitration in Pakistan can be considered to be partially effective as opposed to being fully effective. While it can alleviate the burden on courts and improve access to justice, it can achieve that only if the deep-rooted judicial reform is undertaken and other related institutions are strengthened, judicial uniformity is achieved and public confidence is deepened on judicial institutions. Modernization of the domestic arbitration system and strengthening enforcement mechanisms is essential for arbitration's success as a viable and credible means of commercial dispute resolution and to the overall justice system.

Recommendations

From this study the following recommendations are given:

1. Strengthen Arbitration Legislation

- i. Modernize the Arbitration Act to reflect the modern commercial environment and international rules of arbitration.
- ii. Establish clear and consistent procedures for enforcement of arbitral awards.

1. Limit Judicial Intervention

- i. Limit the review of the arbitral award by judicial bodies to extraordinary circumstances.
- ii. Minimize undue court involvement and maintain the finality of arbitral decisions.

2. Enhance Institutional Capacity

- i. Establish specialized arbitration centers across Pakistan.
- ii. Enhance administrative framework in arbitration institutions.
- iii. Implement consistent case management procedures to facilitate resolution of disputes.

3. Build Professional Capacity

- i. Conduct periodic judges/lawyers/arbitrators/ADR practitioners training programs.
- ii. Encourage ongoing professional development concerning the principles and best practices of modern arbitration and international arbitration.

4. Promote Arbitration Awareness

- i. Organize awareness sessions in business enterprises and within industry.
- ii. Facilitate legal institutions to encourage arbitration as an alternative mechanism to solve conflicts.

- iii. Build trust in ADR amongst the public and corporate community so as to resolve disputes efficiently.

Limitations of the Study

There are some limitations to this study which need to be taken into consideration when interpreting the findings. Firstly, the study was qualitative and the number of subjects were 20, which restricts the generalizability of the findings to the wider legal community in Pakistan. Secondly, the availability of senior judges, policy makers and other, more senior, legal experts may have limited the range of institutional perspectives represented in the study. Third, the results were mainly drawn from the participants' experiences and professional viewpoints, which could be interpreted by the researcher and may have been influenced by their experience. While document analysis was undertaken to supplement the interview results, the findings are context specific and may not capture all the practices in arbitration in Pakistan.

Future Research Directions

Further research is needed to enhance the knowledge about arbitration enforcement in Pakistan on a larger empirical basis. Comparative studies between the arbitration system in Pakistan and countries like the UK or India may offer insights into effective models and institutional practices. Future researchers should also analyze success rates and enforcement efficiency in arbitration, user satisfaction with arbitration, and arbitration results and factors affecting arbitration results on a large scale in quantitative studies. Further, research into the effectiveness of arbitration should examine the success of arbitration in the various sectors, such as commercial, construction, banking, investment and infrastructure, in which arbitration is commonly used. Longitudinal studies on the effect of impending changes in the law and in the institutions could also offer valuable evidence on the changing effectiveness of arbitration as the mechanism of Alternative Dispute Resolution in Pakistan.

Conflict of Interest

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