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Mediation Bill, 2023: A Step Forward or Missed Opportunity?

Vinayak Khatri

Law Student, LL.M., Gitarattan International Business School affiliated to GGSIPU, Delhi

ABSTRACT:

The Mediation Bill, 2023, marks a pivotal moment in India's journey toward institutionalizing alternative dispute resolution (ADR), particularly mediation. This paper critically examines the Bill's provisions, assessing whether it truly advances the practice of mediation or falls short of addressing fundamental challenges. The analysis focuses on key elements such as the promotion of institutional mediation, mandatory pre-litigation mediation, enforcement mechanisms, and concerns about confidentiality and neutrality. Relevant case law, international comparisons, and statutory references are used to contextualize the discussion. Ultimately, the paper argues that while the Bill is a commendable step forward, it leaves several practical and conceptual gaps unaddressed.

Keywords:

- Mediation Bill 2023
- Alternative Dispute Resolution (ADR)
- Institutional Mediation
- Pre-litigation Mediation
- Mediation Council of India
- Enforceability of Mediated Settlements
- Confidentiality in Mediation
- Online Mediation
- Community Mediation
- India ADR Legislation
- Section 89 CPC
- Judicial Perspective on Mediation
- Voluntary vs. Mandatory Mediation
- Singapore Convention on Mediation
- Legal Reform in India

Introduction:

Mediation has long been recognized as a cost-effective and amicable means of resolving disputes. However, its practice in India has largely remained informal and fragmented. Recognizing this, the Government of India introduced the Mediation Bill, 2023, aiming to provide a comprehensive legal framework for mediation. The Bill seeks to promote institutional mediation, ensure enforceability of mediated settlements, and encourage pre-litigation mediation.

While the intent is progressive, the implementation raises critical questions: Does the Bill effectively bridge the gap between informal and formal mediation? Does it respect party autonomy while encouraging participation? This paper delves into these issues, exploring whether the Bill is indeed a step forward or a missed opportunity.

Background and Evolution of Mediation in India

Historically, India has seen forms of dispute resolution rooted in community practices—panchayats, caste councils, and informal arbitration. These systems were designed to maintain local harmony and resolve conflicts outside the formal legal system. With colonization and the codification of laws, these informal methods lost prominence.

Formal recognition of ADR began with the Arbitration and Conciliation Act, 1996, which incorporated conciliation based on the UNCITRAL Model Law. While arbitration and conciliation found a place in the legislative scheme, mediation was left out, existing only through court-annexed schemes or voluntary participation. The Legal Services Authorities Act, 1987, and various High Court Mediation Rules filled some of this gap, but a national framework was lacking.

Judicial support for mediation has grown, especially post the Supreme Court's decisions in *Afcons Infrastructure Ltd v Cherian Varkey Construction Co (P) Ltd*, (2010) 8 SCC 24 and *Salem Advocate Bar Association v Union of India*, (2005) 6 SCC 344, which advocated the use of Section 89 of the Code of Civil Procedure (CPC) to promote settlement through ADR.

Despite such efforts, mediation remained under-utilized due to lack of awareness, absence of a robust institutional framework, and limited enforceability of outcomes. The Mediation Bill, 2023 seeks to address these lacunae through comprehensive legislation.

What is the use of weather prediction?

Weather prediction's purpose is to give information that people and organisations can use to reduce weather-related losses and improve societal advantages, such as life and property protection, public health and safety, and economic prosperity and quality of life.

Key Provisions of the Mediation Bill, 2023

The Mediation Bill introduces several key features intended to formalize and enhance the mediation process:

- **Mandatory Pre-litigation Mediation (Clause 6):** Before initiating litigation in certain civil or commercial disputes, parties must first attempt mediation. Exceptions exist for cases needing urgent interim relief.
- **Institutional Mediation:** Establishes mediation service providers responsible for organizing mediation and maintaining panels of qualified mediators. It also mandates the creation of the Mediation Council of India (MCI) to oversee training, accreditation, and professional standards.
- **Enforceability (Clause 19):** Mediation settlements, if signed by the parties and authenticated by the mediator, are enforceable as court decrees.
- **Time-bound Process:** The Bill prescribes a time limit of 180 days for mediation, extendable by mutual consent. This ensures efficiency without unnecessary delay.
- **Confidentiality:** All mediation proceedings and communications are confidential. Breach of confidentiality can attract legal consequences.
- **Community Mediation (Clause 43):** Provides for resolution of disputes affecting local communities through a panel of trained mediators.
- **Online Mediation (Clause 30):** Recognizes the legitimacy of online mediation, facilitating access and efficiency in dispute resolution.
- **Training and Accreditation:** Mediators must fulfill criteria prescribed by the MCI to ensure professionalism and consistency across the country

Positive Aspects: A Step Forward

Legal Recognition and Institutional Framework

The Mediation Bill, 2023 is India's first dedicated legislation for mediation. The establishment of the MCI is a game-changer, aiming to regulate the ecosystem and set minimum standards for practice. It ensures the creation of a cadre of trained and accredited mediators, thereby promoting professionalism in the field.

Institutional mediation, promoted through mediation service providers, brings consistency and oversight. This marks a transition from ad hoc mechanisms to more structured dispute resolution processes.

Enforceability of Mediated Settlements

The enforceability of settlements has historically been a weak point in the Indian mediation system. Clause 19 of the Bill remedies this by making mediated settlements legally binding and executable as court decrees. This improves the trust factor in mediation.

Mandating Pre-litigation Mediation

Mandating pre-litigation mediation could potentially revolutionize how disputes are resolved. For example, in commercial disputes where relationships matter, early mediation can save time, costs, and goodwill. This is also expected to significantly reduce the pendency of cases in Indian courts.

However, the success of this provision depends heavily on implementation. Mediation must be made accessible, affordable, and culturally accepted.

Promoting Efficiency and Timeliness

By capping the time period at 180 days (with a possible extension), the Bill introduces a much-needed sense of urgency into the ADR space. This aligns with the constitutional mandate for speedy justice under Article 21.

Support for Online and Community Mediation

Online mediation reflects the digitalization of legal processes post-pandemic. Community mediation acknowledges the importance of traditional and local problem-solving mechanisms. Both initiatives broaden access and reflect sensitivity to India's diverse socio-economic landscape.

Integration with Existing Legal Framework

The Bill supplements Section 89 CPC, the Arbitration and Conciliation Act, and Legal Services Authorities Act. It offers a coordinated approach without undermining the existing ADR laws.

Criticisms and Challenges: A Missed Opportunity?

While reducing litigation load is desirable, compelling parties to mediate might go against the very ethos of mediation. The voluntary nature of the process is a cornerstone of its success. Coerced mediation risks being procedural rather than substantive, where parties participate without genuine intent.

Instead, incentivizing mediation—through tax benefits, reduced court fees, or adverse cost consequences—might yield better outcomes. This model has been effective in the UK and Singapore.

Concerns over Government Oversight

The MCI, though a central body for regulation, is heavily government-dominated. The appointment process lacks transparency and independence. In ADR processes, neutrality is paramount. Over-regulation might stifle the organic growth of mediation in India.

Limited Redress for Coercion or Fraud

Clause 20 provides very narrow grounds for challenging a mediated settlement. There is no mechanism for review in cases where parties allege coercion, duress, or procedural unfairness. This could deter parties from opting for mediation, especially in complex or high-stake disputes.

Vague Drafting and Exclusion List

The exclusion of certain disputes from mediation (e.g., criminal matters, tax cases, disputes affecting third-party rights) is not precisely defined. This could lead to jurisdictional confusion and litigation over whether a matter qualifies for mediation, thereby defeating the purpose.

Confidentiality and Data Protection

Although confidentiality is promised, the Bill does not provide clear guidelines on data protection, especially in online mediation. With increasing cyber threats, a robust data privacy mechanism is necessary.

Comparative Jurisprudence and Global Best Practices

When predicting the weather, the analog approach is difficult to utilize because it needs to identify a day in the past with weather that is comparable to the current forecast, which is tough to do. Consider the following scenario: the current forecast predicts a warm day with a cold front approaching the forecast area.

A similar day occurred in the previous month when a warm day was followed by the arrival of a cold front, which resulted in the formation of thunderstorms later in the day. The forecaster could use the analog approach to anticipate the same type of weather, but even minor variances between the past and the present can influence the outcome, thus the analog method may not be the best.

Singapore
Singapore is a global leader in ADR. The Singapore Mediation Act, 2017, offers a robust framework that balances enforceability and voluntariness. It works in tandem with the Singapore Convention on Mediation, which allows for cross-border enforcement of mediated settlements. India has signed this Convention but has yet to ratify it—a critical step for international recognition.

United Kingdom

The UK encourages but does not mandate mediation. Courts strongly recommend it and penalize parties who unreasonably refuse. This approach promotes mediation without undermining autonomy. Additionally, the UK has invested in mediator training and public awareness campaigns.

United States

Mediation in the US is governed at the state level. Some jurisdictions make mediation compulsory in family or small claims matters. The emphasis is on process fairness, voluntariness, and professional standards. The Uniform Mediation Act (2001) serves as a model for several states.

Lessons for India

India can learn from these jurisdictions by:

- Avoiding blanket mandates.
- Ensuring independent regulatory bodies.
- Promoting incentives for voluntary mediation.
- Investing in training and public awareness

Judicial Perspectives and Landmark Cases

- *Afcons Infrastructure Ltd v Cherian Varkey Construction Co (P) Ltd*, (2010) 8 SCC 24: Clarified the nature and scope of Section 89 CPC, affirming the role of courts in referring disputes to ADR.
- *Salem Advocate Bar Association v Union of India*, (2005) 6 SCC 344: Endorsed court-annexed mediation and resulted in model rules for courts to promote mediation.
- *Moti Ram v Ashok Kumar*, (2011) 1 SCC 466: Reinforced the sanctity and confidentiality of mediation.
- *Sukanya Holdings Pvt Ltd v Jayesh H Pandya*, (2003) 5 SCC 531: Highlighted the challenges in bifurcating subject matter for arbitration and by extension, ADR.
- *Vikas Aggarwal v Anubha*, (2002) 4 SCC 468: Recognized mediation in matrimonial disputes, supporting its use in sensitive areas.

Suggestions and Way Forward

To bridge the existing gaps and ensure successful implementation, the following suggestions are made:

1. **Make Mediation Presumptive, Not Mandatory:** Parties should be encouraged, not compelled, to mediate. Courts can play an important role in screening cases suitable for mediation.
2. **Strengthen the Mediation Council's Independence:** Appointments must be merit-based and independent of executive control to inspire confidence among stakeholders.
3. **Expand Scope for Appeal:** Allow for limited judicial oversight in cases of coercion or procedural irregularity to ensure fairness.
4. **Ratify the Singapore Convention:** This will enhance India's credibility in international dispute resolution.
5. **Enhance Confidentiality and Data Protection:** Frame detailed rules for handling confidential information, especially in digital formats.
6. **Awareness and Capacity Building:** National campaigns and mandatory ADR modules in law schools can promote a mediation culture.
7. **Monitoring and Evaluation:** Set up a mechanism for periodic review of mediation outcomes and stakeholder feedback.

Conclusion:

The Mediation Bill, 2023 represents a critical step in reforming India's civil justice system. It introduces much-needed structure and clarity in the mediation space. However, for it to be transformative, the principles of voluntariness, neutrality, and party autonomy must be preserved.

Balancing institutional frameworks with user-friendly processes, integrating technology with privacy safeguards, and blending formal and community-based solutions will be key to the success of this law. If implemented thoughtfully, with necessary revisions, the Mediation Bill can be the cornerstone of a faster, fairer, and more inclusive justice delivery system in India.

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