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HARNESSING ONLINE DISPUTE RESOLUTION FOR ECONOMIC GROWTH IN NIGERIA: A LEGAL FRAMEWORK FOR ADVANCING THE SUSTAINABLE DEVELOPMENT GOALS

Rashidat Ajise [1] and Olusola Joshua Olujobi [2]

1. LL.M (Abuad), Barrister at Law, LL. B (Adekunle Ajasin University, Akungba-Akoko, Ondo State), Lecturer, Department of Business and Industrial Law, Faculty of Law, Ekiti State University, Ado Ekiti, Ekiti State, Nigeria. Email: rashidat.ajise@eksu.edu.ng, ajiserashidat@gmail.com.
2. Afe Babalola University, College of Law, Department of Public and International Law, College of Law, Ado Ekiti, Ekiti State, Nigeria. Corresponding Author's Email: olujobi.olusola@abuad.edu.ng /joshuadlaw@yahoo.co.uk

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Electronic commerce (E-Commerce) facilitates business transactions where goods and services are bought and sold through digital platforms. However, it presents unique challenges such as addressing disputes that arise in online environments. Given the rapid advancement of information and communication technologies, e-commerce continues to evolve, integrating innovations like Online Dispute Resolution (ODR). This is in furtherance of the United Nations Sustainable Development Goal 16 to provide access to justice for all and build effective, accountable and inclusive institutions at all levels. ODR serves as a mechanism for resolving disputes electronically without requiring the physical presence of the parties involved. This paper examines the effectiveness of ODR in enhancing economic growth in Nigeria which aligns with the United Nations Sustainable Development Goals 8.2, 8.3, 9.1, 16.3, 16.6 and 16.7. It adopts a doctrinal approach and primary sources like the Arbitration and Mediation Act 2023, Nigeria Data Protection Act 2023, Federal Competition and Consumer Protection Act 2018 alongside secondary sources such as textbooks and journal articles were consulted. It discusses the dispute resolution systems in Nigeria. It examines ODR as a viable system for the enhancement of economic growth. It observes that Nigeria lacks the necessary infrastructure and legal frameworks to support the system. Given the inevitability of disputes in digital transactions, the study underscores the importance of ODR to boost economic growth in furtherance of SDG 8. It recommends that stakeholders should collaborate to establish the required legal and technological foundations for ODR in Nigeria.

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1. INTRODUCTION

Nations of the world has witnessed transition from the industrial era to information age. The information age has made the public and private sectors of modern society increasingly dependent on technology. Technology permeates several aspects of everyday human existence, including commerce, communication, entertainment, personal relationships, and numerous other activities that are progressively conducted over the internet.[1] This technological development has enhanced greater economic interactions among businesses, financial institutions, individuals, governments and non-governmental organizations.[2] The world has thus become a global marketplace. The impact of technology on the growth of economy cannot be overemphasized as commercial transactions are being done electronically hence, the concept of electronic commerce(E-commerce).[3] E-commerce is a method of transacting whereby goods and services are purchased and sold through electronic medium. The ease with which transactions are being carried out makes e-commerce attractive. This has enhanced international trade and encouraged investment activities leading to economic growth.

This method of transaction notwithstanding its benefit is characterised with a growing number of disputes. Technology is referred to as both a disruptive force and a facilitative force which has interfered with how we do things generally. This interference does not exclude dispute resolution. Just as technology is changing virtually every aspect of human development and as man advanced in mind, so does his ways of dealing with matters. The exponential growth of electronic commerce has led to vast economic activities which have resulted to obvious increase in disputes that arise from such transactions. These disputes undermine the benefits of digital trade and sustainable development. The traditional mode of resolving disputes is no longer feasible in a global economy. Commercial transactions now require more efficient and less litigious

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[1] AO Ajetunmobi, *Information & Communications Technology Law in Nigeria: A Comparative reader*, (1st ed, Princeton & Associates Publishing Co. Ltd, Lagos, 2017) 70.
[2] ibid
[3] E-commerce

remedy systems that allow consumers and businesses to obtain remedies on their transactions.[4] This has led to development of online dispute resolution (ODR) systems in furtherance of the United Nations Sustainable Development Goals (UN SDGs) 16.3, 16.6 and 16.7 which entails promotion of rule of law at national and international levels and ensuring equal access to justice; development of effective, accountable and transparent institutions at all levels; and ensuring responsive, inclusive, participatory and representative decision-making at all levels. Initially, ODR began as a tool for dispute resolution. But owing to the growing use of technology and subsequent development in that space, what started as a tool has now become a system with the development of various applications. In the three decades of ODR, its impact on the economy cannot be over emphasised. From the notable first ODR system by eBay to the over one hundred applications now developed to tackle various disputes including but not limited to domain name disputes, phishing and ransomware, ODR has no doubt evolved overtime.[5] This system has been adopted in government agencies, courts and international organisations.[6]

This paper explores the strategic role of Online Dispute Resolution (ODR) in fostering economic growth within the broader context of the United Nations Sustainable Development Goals (SDGs). Structured into six sections, the first introduces the subject matter and research focus. The second section provides an overview of dispute resolution mechanisms, followed by an analysis of technological innovations underpinning ODR in the third. The fourth section examines how ODR can function as a catalyst for economic development, while the fifth critically assesses the legal, infrastructural, and socio-technical barriers impeding the adoption of ODR in Nigeria. The final section concludes by asserting that ODR is a transformative tool for national economic advancement, capable of reinforcing key SDG targets—

[4] Organisation for Economic Cooperation and Development (OECD), *Guidelines for Consumer Protection in the Context of Electronic Commerce* (OECD Publishing, 2000).
[5] Ethan Katsh, Ónline Dispute Resolution (ODR): A Look at History', in Daniel Rainey and others (eds), *Online Dispute Resolution- Theory and Practice, A Treatise on Technology and Dispute Resolution* (Boom Uitgevers Den Haag, 2021) available at ProQuest Ebook Central, <http://ebookcentral.proquest.com/lib/abuadng/detail.action?docID= 30535620> accessed on 27th February, 2025.
[6] ibid

particularly SDG 16 (peace, justice, and strong institutions), SDG 9 (industry, innovation, and infrastructure), and SDG 8 (decent work and economic growth)—through more inclusive and efficient dispute resolution processes.

The novelty of this study lies in its integrative approach: existing scholarship often isolates ODR's impact on access to justice but rarely positions it as a driver of macroeconomic growth or as part of a structured SDG implementation strategy in Nigeria. This research bridges that gap by proposing an original hybrid legal framework that synthesizes traditional Alternative Dispute Resolution (ADR) mechanisms—including negotiation, mediation, and arbitration—with digitally enabled ODR platforms specifically adapted to Nigeria's legal, technological, and infrastructural realities.

The proposed model emphasises legal design strategies that incorporate indigenous dispute resolution systems (such as community or customary mediation) into digital platforms. It supports a spectrum of technological tools, from basic SMS-based mechanisms for low-income or rural users to sophisticated AI-driven mediation for commercial disputes. Furthermore, it integrates real-time monitoring dashboards linked to SDG indicators, ensuring transparency, efficiency, environmental sustainability through paperless procedures, and broader access to justice for marginalised populations such as women, persons with disabilities, and rural communities. The paper calls on regulatory authorities, particularly the Federal Ministry of Justice and related institutional stakeholders, to adopt and operationalise this hybrid framework to unlock ODR's full potential for sustainable economic development in Nigeria.

2. DISPUTE RESOLUTION SYSTEM

The two methods of resolving dispute are adjudicatory/adversarial and non-adjudicatory. While the former mostly refer to litigation, the latter entails an alternative to litigation. Litigation is a legal process in which parties resolve disputes by enforcing rights or seeking remedies in a court of law. In this process, judge reviews evidence and hears testimony before issuing a binding decision.[7] In order to maintain a civilised society, a system of civil justice was put in place. According to Lord Denning in *Bremer v. South India Shipping Corp, Ltd*[8]

> *Every civilised system of government requires that the State makes available to all its citizens a means for the just and peaceful settlement of disputes between them. It is no doubt that law provides the basic structure for commerce and industry to operate. It also safeguards rights of individuals, regulates their dealings with each other and enforces duties of government.*[9]

Litigation is however not without its own drawbacks. Notwithstanding the reforms put in place for this system of dispute resolution, certain challenges which hinder effective resolution of dispute have been identified. These include issues of the overloaded dockets of courts, cost of litigation and the time frame within which matters are resolved in a court of law amongst others. Resource inequalities amongst disputants which affect their disputing capability have also been identified.[10]

Before litigation, rather than embarking on discovery of facts as we have it today, trial by ordeals[11] or settling disputes by duel was the practice.[12] The trial was then formalized with certain regulations and a presiding judge. Parties could either compete independently or appoint champions to represent them.[13] Combatants were required to swear an oath affirming their dedication to justice and the cause for which they were about to fight.[14] We have also heard stories of how issues were resolved in

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[7] (n 1) at 73.

[8] [1981] AC 909, 917

[9] A Akeredolu, *Duel to Death or Speak to Life: Alternative Dispute Resolution for Today and Tomorrow,* (7th Inaugural Lecture, Ajayi Crowther University, Oyo)8-9.

[10] *Ojukwu v Military Governor of Lagos State*, [1985] 2 NWLR <Pt.10> 806.

[11] A trial in which the accused was subjected to a dangerous test such as ducking in water or divine authority deciding the guilt of the accused.

[12] (n 9) 6.

[13] ibid

[14] WJV Windeyer, *Lectures on Legal History,* (2nd ed, Law Book Co of Australia, 1957).

our tradition.[15] Going forward, history handed down to us the tales of how the timely involvement of elders in mediating disputes often prevents conflicts from intensifying into violent confrontations.[16] This approach prioritizes mending relationships, addressing emotional wounds, and fostering compromise to strengthen future connections.[17] Resolution of conflict is usually seen as a social responsibility of the elders and this justifies the Yoruba proverb that an elder cannot be in the market place and allow the reign of chaos.[18] A person who watches while tension mounts between and among children, adults, groups and any warring parties is not seen as socially responsible. This social responsibility is voluntarily done, as well as, institutionalized in different ways.[19] Suffice to say at this point that the practice of resolving disputes in a flexible, private and fair manner by person(s) to which warring parties have submitted their claims in a way that public interest is safeguarded has always been with our people. Hence, alternative dispute resolution is not alien to our tradition, but the said practice has been modified. It has been improved upon to suit present day realities.

Simply put, alternative dispute resolution involves mechanisms through which conflicts/disputes are resolved in ways other than by trial in a law court. It is mostly referred to as an alternative to litigation, that is, the adversarial system of dispute resolution. ADR is a universally acclaimed acronym for Alternative Dispute Resolution.[20] Although it has been argued that the letter 'A' could also mean 'appropriate' or 'amicable' but because generally, it refers to means of resolving disputes devoid of intricacies in litigation, it is mostly referred to as an alternative to litigation. It encompasses all alternative methods for settling disputes

[15] For example, where a woman who is suspected of killing her husband is made to drink the water used to bathe the deceased and her survival thereafter was meant to prove whether she is guilty or not.
[16] (n 9) at 8.
[17] A K Fayemi, 'Agba (elder) as Arbitrator: A Yoruba socio political model for conflict resolution' (2009) 1(3) Journal of Law and Conflict Resolution 060–067 <http://www.academicjournals.org/JLCR%20©%202009%20Academic%20Journals> accessed 27 February 2025
[18] (n 9) at 8-9.
[19] ibid.
[20] MM Stanley-Idum and JA Agaba, *Civil Litigation in Nigeria,* (1st ed, Nelag & Company Limited, Lagos, 2015) 26.

between parties outside the traditional court system.[21] Alternative Dispute Resolution (ADR) involves engaging in discussions, including challenging ones, to serve the best interests of both parties or to identify mutually advantageous solutions for resolving conflicts in the most efficient and appropriate way.

Abraham Lincoln, former President of the United States of America once said, 'Persuade your neighbours to compromise whenever you can. Point out to them how the normal winner is often the loser - in fees, expenses and waste of time. As a peacemaker, the lawyer has a superior opportunity of being a good man. There will still be business enough'.[22] This describes how ADR is perceived to an extent. Fair resolution of disputes without unnecessary delay or expenses and parties' autonomy in resolving their disputes are the cardinal principles of alternative dispute resolution. According to Constantino and Merchant,[23] several factors such as overloaded dockets, cost of litigation (in money, personnel time, lost opportunities), desire to empower disputants to participate in resolving their own disputes, increasing interest in flexible dispute resolution process (unlike rigid court processes), interest in confidentiality and avoidance of publicity makes the system attractive.[24]

Fundamentally, in both public and private sectors, the disputing parties must agree to use ADR before it becomes applicable, this is the foundation upon which ADR is built. An ADR is a consent driven process. The most common form of initiating ADR especially in the private sector is by inserting an ADR clause as a term in the contract of the parties. Parties may make a general reference to ADR or a specific ADR process such as arbitration or mediation in the contract. In certain situations, after the dispute has arisen, one of the parties may request that the dispute be referred to ADR, in which case, if the other party agrees, they enter into an agreement for a specific ADR process such as mediation or arbitration. The nature of the relationship between the disputants affects the way they approach a problem and the terms in which they

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[21] ibid at 27.

[22] MVB Partridge, *Alternative Dispute Resolution –An Essential Competency for Lawyers*, (Oxford University Press, New York, 2009) 152

[23] MO Ojielo, *Alternative Dispute Resolution*, (CPA Books, Lagos, 2001) 1

[24] ibid.

define it, hence, the various models of alternative dispute resolution. Overtime, these models, such as Negotiation, Arbitration, Mediation, Conciliation and the hybrid ADR models have evolved some procedural guidelines peculiar to them.

To enhance dispute resolution system and in furtherance of access to justice, the Court-connected ADR was introduced. This is also referred to as the Multi-Door Court House System. These terms are often used interchangeably. As stated earlier, the system of dispute resolution is growing. Although ADR started as a parallel private practice outside the court system, it has now been introduced into the public system of administration of justice as court connected or annexed ADR or Multidoor court houses.[25] This mechanism gives disputing parties different doors or routes to resolving their disputes.[26] The Multi-door courthouse is a court of law in which facilities for ADR are provided, it is the formal integration of ADR into the court system. It is not the ADR section in the court premises, rather it is the official recognition and availability of ADR processes as part of the justice delivery system in a particular jurisdiction.[27] MDCH is a concept whereby ADR processes are recognised and made part of the court system in a way that persons who approach the courts for resolution of their disputes are no longer availed of the litigation process alone but can take advantage of other options in deserving cases with their claims assigned for resolution through the ADR processes.[28]

The idea behind this initiative is borne out of the desire to achieve quick dispensation of justice without the usual bottle-necks associated with litigation. The states where MDCH have been established in compliance with the directive of the National Judicial Policy to adopt ADR mechanism into the court system have enacted legal rules for its practice and procedure. Some existing MDCH established in Nigeria are the Lagos state Multidoor court house, Akwa-Ibom Multidoor court house, Abuja Multidoor court house, Oyo state Multidoor court house

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[25] (n 9) at 9
[26] ibid.
[27] AO Chukwura, 'Alternative Dispute Resolution Spectrum' in V. M. Sylvester and S. C. Wali (eds) *Readings in Peace and Conflict Resolution*, (Stirling-Horden, Ibadan, 2008) 119 at 120.
[28] (n 9) at 9

and Ogun state Multidoor court house. At the federal level, the National Industrial Court ADR Centre was established in 2015 pursuant to section 254C of the 1999 Constitution, making it the only CCADR with constitutional flavour.[29] Many reasons have been advanced for the rise or growth of ADR. The idea is that if parties avoid sticking to their original positions and instead shift their attention to the interests underlying these positions, they can find ways of satisfying those interests. They can generate a variety of options, some of which provide higher value for both parties.[30] It is commendable of these states to have adopted this globally recognised fast means of settling disputes to meet the desire for effective dispensation of justice in line with UN SDG 8 and 16, particularly within the fast-growing commercial community.

As technology now affects many aspects of our lives including commercial activities, it is only logical that ADR "go digital" too.[31] As the internet usage continues to expand, it has become increasingly necessary to design efficient mechanisms for resolving internet disputes, hence, the development of Online Dispute Resolution (ODR) systems. There is no universal agreement on the meaning and scope of ODR.[32] Several attempts have been made to define the term. ODR refers to a branch of dispute resolution that leverages technology to help parties settle their disputes.[33] ODR mainly involves traditional ADR processes, largely assisted by internet-based platforms.[34] It is a form of dispute resolution process that caters for dispute resolution via internet or some virtual form of

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[29] A E Akeredolu, 'The Proposed Alternative Dispute Resolution Centre of the National Industrial Court of Nigeria: Possibilities and Challenges' (2012) 6(1) Nigeria Journal of Labour Law and Industrial Relations 63–88; see also A E Akeredolu, 'Resolving Chieftaincy Disputes in Nigeria through Alternative Dispute Resolution: New Opportunities and Possibilities' (2016) 11(1) Afe Babalola University Law Journal 272–306

[30] A Murdock and C N Scutt, 'Personal Effectiveness' (1999) as cited in C Epie, 'Alternative Dispute Resolution Skills: Understanding the Problem Solving (Win/Win) Approach in Negotiations' in K N Nwosu (ed), *Legal Practice Skills & Ethics in Nigeria* (DCON consulting, 2004) 439, 447

[31] (n 9) at 5

[32] S Mohammed and others, *Online Dispute Resolution: Theory and Practice: A Treatise on Technology and Dispute Resolution* (Eleven International Publishing, 2016) 15

[33] (n 9) at 44

[34] DA Larson, 'Technology Mediated Resolution (TMDR): A New Paradigm for ADR' (2006) 21(3) Ohio State Journal on Dispute Resolution 629–686

communication that allows dispute resolution without the physical presence of both parties in a dispute in the same location. ODR is used to resolve both online and offline disputes and with the growth of e-commerce comes the need for a means of resolving disputes arising therefrom.

ODR forms ranges from online arbitration to negotiation and mediation which may be video, or chat based. ODR is considered a fast, seamless, and convenient means of dispute resolution. A range of communication methods can be used, including: Email - a virtually instantaneous transfer of mainly text messages, Instant Messaging – a variant of email that allows synchronous online chat, Online Chat – a synchronous, text-based exchange of information, Threaded Discussion (also known as bulletin boards) - an asynchronous, textual exchange of information organized into specific topics, Video/Audio Streams - asynchronous transfer of recorded messages, and Videoconferencing - synchronous transfer of video information.[35] In essence, an ODR provider is an internet platform capable of facilitating any ADR procedure in real time.[36]

ODR can take place either entirely or partly online and concerns two types of disputes: those that arise in cyberspace and those that arise offline.[37] If parties cannot resolve their disagreements through direct negotiations, mediation and arbitration can be particularly advantageous to resolve ICT disputes, especially when parties from different jurisdictions are involved.[38] Arbitration may be used to prevent ICT disputes, resolve them at an early stage, or settle them prior to formal litigation. While ADR present a series of advantages to resolve ICT disputes, there are circumstances in which court litigation is preferable to

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[35] SS Raines and M Conley Tyler, *From E-Bay to Eternity: Advances in Online Dispute Resolution*, (being a paper presented at the 8th Annual Conference of the American Bar Association's Section on Dispute Resolution, Atlanta, April 5th-8th, 2006).
[36] Sodiq O Omoola and Umar A Oseni, 'Towards An Effective Legal Framework For Online Dispute Resolution In E-Commerce Transactions: Trends, Traditions, And Transitions' (2016) 24(1) IIUM Law Journal 267.
[37] ibid.
[38] ibid 72.

these ADR mechanisms.[39] Hence, virtual court is considered a form of ODR and there has been a call for greater development of ODR processes which include the virtual court system. ODR is not tied to geography, so disputants can reach resolution even if they are located on different continents. Websites such as 'Cybersettle', 'Settlement Online' and 'Click Nsettle' offer services that are entirely online and focus primarily on negotiating monetary settlements.[40]

According to the United Nations Conference on Trade and Development,[41] the history of ODR can be divided into three main periods: pre-1995, 1995 to 1999 and post-1999.[42] During the first period that is, pre- 1995, the use of internet was restricted to exclude commercial activities.[43] It was not until 1992 that the ban on commercial activity was removed that disputes related to commerce began to surface.[44] It was during the second period that the idea for ODR emerged out of a recognition that disputes would multiply as the range of online activities grew.[45] In addition, as new entities began to appear in cyberspace, it was not clear what their legal liability would or should be and who is to be held liable. There were questions on intellectual property rights[46] and other illegal activities.[47] In general, the more the Internet was used for any purpose, the more disputes arose.[48] The period of COVID 19 marked another milestone in the development of ODR as it was no longer an issue of accepting the system, but the World was forced to tilt towards the use

[39]ibid.

[40] AO Ajetunmobi, *Information & Communications Technology Law in Nigeria: A Comparative reader*, (1st ed., Princeton & Associates Publishing Co. Ltd, Lagos, 2017) 76.

[41] UNCTAD, 'Online Dispute Resolution: E-commerce and Beyond' (E-commerce and Development Report, UNCTAD/SDTE/ECB/2003/1)

[42] ibid 180.

[43]ibid; it was banned under the country's National Science Foundation's acceptable use policy.

[44]ibid

[45]ibid.

[46]ibid.

[47]ibid; For example, use of the Internet for the distribution of pornography led not only to legislation and court cases but to disputes on college campuses about freedom of expression and access.

[48] (n 41) at 181

of technology due to social distancing. Hence, ODR system was adopted by Government agencies, Courts and international organizations.

ODR, during the last few years, has become accepted as being both viable and valuable for many disputes for which no other means of dispute resolution are feasible. The value of ODR in using the network to deliver the dispute resolution skills of a third party has been demonstrated. This has helped sustain the growth of ODR even in a difficult entrepreneurial environment. Applications have now been developed to enhance dispute resolution by exploiting and delivering technological capabilities embodied in machines at remote locations in furtherance of UN SDG9.[49] Thus, the number of firms offering some form of ODR continues to grow.

There are about 111 notable ODR provider sites dealing with different kinds of disputes including but not limited to issues on family, workplace, e-commerce, and insurance, among others.[50] In the list captured by the National Centre for Technology & Dispute Resolution (NCTDR) which is still being updated, some of them include 2BePart, ADRg Express, American Arbitration Association (AAA), An Olive Branch, Anywhere Arbitration, Arab Centre for Domain Name Dispute Resolution (ACDR), Arbitranet, Arbitrate Online, Arbitration Resolution Services, ARyME, Asian Domain Name Dispute Resolution Centre.[51]

As technology improves, therefore, and as people engage in increasingly complex informational activities online, ODR processes can be expected to become more sophisticated as well for continual growth and better alignment with the SDGs.[52] Disputes occur inevitably, and often quite quickly as new kinds of transactions and interactions emerge online. Dispute resolution processes must be designed and constructed. Dispute resolution for complex disputes will also be more challenging than dispute resolution for simpler conflicts. One can already point to significant

[49] This is the impact of Artificial Intelligence on Dispute Resolution Systems.
[50] National Centre for Technology & Dispute Resolution (NCTDR) ODR Provider List <http://odr.info/provider-list/> accessed 3rd February, 2025.
[51]ibid.
[52] (n 41) at 182

successes in applying ODR to relatively simple e-commerce disputes, and tools are being developed for use in more complex private and public disputes to align with UN SDGs.[53]

3. TECHNOLOGIES FOR ONLINE DISPUTE RESOLUTION

1. ***Synchronous communication:*** This type of communication takes place concurrently. It requires the presence of both the sender and receiver at the same time for communication to take place. The synchronous communication is direct communication, with a minimal time interval between the moment one party makes a comment in a discussion, and the other party receives this message. This is the case in face-to-face communication whereby parties freely communicate directly with each other through the aid of information and communication technologies such as text or audio chat, audio-conferencing, videoconferencing and telephones.[54]
2. ***Asynchronous communication:*** Asynchronous communication is time-delayed or time-deferred mode communication. Parties here are not required to take part in the discussion at the same time for communications to occur. They do not immediately receive the communication of the other party and do not need to react instantly. Examples include e-mail, web pages and threaded discussion boards.[55]

4. THE ROLE OF ODR IN ADVANCING ECONOMIC GROWTH IN NIGERIA

ODR was not in the minds of early e-commerce entrepreneurs, but in recent time the inevitability of disputes and the role of ODR system has become evident and Nigeria is not an exception. As stated earlier in this paper, e-commerce transaction is characterised by dispute resolution issues hindering its growth

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[53]ibid
[54] (n 1) at 74.
[55] AR Lodder and J Zeleznikow, *Enhanced Dispute Resolution Through the use of Information Technology: Dispute Resolution for the 21st Century (*Cambridge University Press, 2010*).*

thereby undermining economic growth and sustainable development. Resolving disputes arising from these transactions is quite difficult owing to the challenges encountered by consumers. As it stands today in Nigeria, the nature of disputes which are generated from online transactions are known to be low value claims which are either too low to pursue in the law court or consumers simply but painfully ignore them due to the high cost and time of accessing justice. Most times, consumers in e-commerce transactions are faced with minor challenges such as late delivery of products, payment issues and in most cases delivery of the wrong products all which may translate to the consumer loosing small amount of money. Seeking redress in a court of law may be more expensive than the money lost. This discourages most consumers especially in Nigeria where people are sceptical about e-commerce transactions and in turn this affects the advancement of UN SDGs. ODR in e-commerce has enhanced immediate access to justice for these small claims and this is in furtherance of UN SDGs 8.2, 8.3, 9.1 and 16.

Also, the court is characterised by overloaded dockets. ADR has in a way been introduced to assist the court of the dispute resolution task but the proliferation of technology in almost every aspect of human lives and in commercial transaction dealings requires a dispute resolution system that accommodates the peculiarities of these technologies. ODR did not replace ADR, but just like ADR was introduced to assist court systems, ODR too has a role to play. The use of technology in conducting legal research and review of evidence in the court can facilitate quick and easy access to justice.

Another advantage of ODR is speed. Having a dispute resolution system that instantaneously caters to one's need and at one's convenience is an incentive to enhance the growth of e-commerce in Nigeria. Being able to lodge a complaint at the comfort of one's home and getting desired result has encouraged engagement in e-commerce. The cost of seeking redress may be reduced since all that is required is sitting behind keypads or an electronic device to lodge a complaint and get justice. This is particularly significant in small claims. ODR offers a lower cost than offline procedures because there are no travel and accommodation expenses, which in international consumer disputes are frequently higher than the value of the dispute. The use of informal means of ODR facilitates self-representation and fast settlements resulting in cost and time savings. Lower expenses expand the possibility of using ODR in low value disputes, increasing consumer access to justice.[56]

One major challenge facing e-commerce is how to resolve cross-border disputes in the electronic business environment. Distances between parties, linguistic and cultural differences, difficulties determining the applicable law, and competent jurisdiction and enforcement of judgments are among the main obstacles that could significantly increase the cost of doing business online. Although e-commerce has made it possible for parties from different continents to deal with each other without physical appearance, where dispute arises during these transactions, the above listed issues become a problem. ODR has put these challenges into consideration as most ODR sites are built to accommodate these issues. ODR platform may make provision for interpreters where parties speak different languages. Also, on the issue of jurisdiction and choice of law, ODR platforms often adopts legal frameworks that in most cases binds both parties.[57] Considering the fact that internet transcends any jurisdictions, the most important thing just like in ADR is the agreement of parties to resolve their dispute *via* a particular ODR platform.

There are several reasons why ODR may be preferable to parties. The process is flexible, the intermediary essentially uses his/her skill to help the parties to communicate and reach their own solution. This high degree of party control means that the parties are likely to feel comfortable with the online procedure. The fact that participation is voluntary means that the parties are more willing to participate, as they are not thereby compromising their position. Parties have control over the Process and Outcomes. For instance, in consensual ODR the parties create their own agreement without having it imposed on them by a third party. As a result, there may not always be strict winners and losers.[58] When access to courts

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[56]ibid.

[57]Considering the legal frameworks on Arbitration, it has been observed that the Convention on the Recognition and Enforcement of Foreign Arbitral Awards otherwise known as 1958 New York Convention issue binding decisions which allows courts in any country that has signed the convention to enforce an arbitral award. This is nonetheless hinged on certain formalities which must be followed.

[58] (n 1)

is difficult because of the parties' location or for some other reason, ODR may be the only possible means of resolving a dispute. Thus, ODR may take place in any country, in any language and with arbitrators/mediators of any nationality.[59]

Establishment of trusted ODR systems incentivizes consumers to make cross-border purchases because it provides them with the comfort of knowing there is a cheap and easy means for obtaining a remedy if the purchase goes awry.[60] ODR can further these efforts by catalysing consumer trust, and consequently cross-border sales.[61]Accordingly, it is imperative that ODR is promoted to empower businesses that seek to attract customers globally and in furtherance of the sustainable development goals. A corollary to this is the fact that in Nigeria today, the most common model of e-commerce is business-to-consumer (B2C) e-commerce and ODR has a bigger role to play in business-to-consumer (B2C) transactions than in business-to-business (B2B) transactions. It has been argued that while arbitration may be set up physically to resolve disputes among merchants in B2B contracts, it may not be easy to engage an online consumer in physical arbitration. The reason for this is not far-fetched, it is very unlikely for an electronic consumer to want to incur excessive arbitration fee. Since physical arbitration requires the intervention of a qualified and experienced human decision maker, but online consumer claims are mostly of small value, excessive fees may be unavoidable. For this reason, physical arbitration may not be the first choice for small and medium-value consumer disputes. Mediation is an effective ODR method for small-value consumer disputes.

Also, as earlier stated, having a dispute resolution system that instantaneously caters to consumers' needs at the comfort of their space is an incentive to enhance the growth of e-commerce in Nigeria. The use of asynchronous and synchronous communications gives parties free-will to lodge their complaints without being easily intimidated or bullied. It also enables them to participate at their own convenience. Hence, a merchant is Africa may respond to a complaint by a consumer in the United States

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[59] (n 41) at *178.*

[60] Amy J Schmitz, 'There's An "App" For That: Developing Online Dispute Resolution to Empower Economic Development' (2018) 32 Notre Dame Journal of Law, Ethics & Public Policy.

[61]ibid.

of America at his own convenience notwithstanding the time difference in both locations. The delay in courts is another reason, most e-consumers' in Nigeria will not want to seek redress in a court of law and this will deter them from future participation in e-commerce. ODR on the other hand guarantees speed and party autonomy. Dispute resolution processes are present in state-based legal systems and in groups of all kinds and sizes, from small families to global economic enterprises. ODR, like ADR, can take the form of any dispute resolution process, and the first choice that must be made in responding to any dispute or in designing a system is which process to use.

ODR mechanisms, including negotiation, mediation, arbitration and expert determination, offer parties and their lawyers high-quality, efficient and cost-effective ways to resolve their ICT disputes out of court, especially contractual disputes involving parties from different jurisdictions. For ODR to work, the parties must agree (or have agreed earlier contractually) on a particular process. What can vary greatly are the methods and processes used to pursue the goal of resolving conflict. An aggrieved party initiates a claim by logging onto an ODR provider's secure website and setting a deadline for resolution. The service then emails the other party to let him or her know that a settlement offer has been proposed and gives them access to the website. The party can either accept or decline to participate. If they decide to participate, he or she logs onto the website and submits a demand. Computer software automatically compares the demand with the settlement offer and emails both parties to let them know whether they are within the range of settlement or whether there has been any movement towards settlement. If the software determines that a settlement has not been reached, then their offers remain confidential and future bargaining positions are unaffected.

To further emphasize on the efficiency of ODR to resolve e-commerce disputes in Nigeria, another major potential is that ODR brings the resources of the network to the task of resolving conflict. These network resources have three novel elements:[62]

a) Human expertise delivered from anywhere
b) Computer processing power delivered from anywhere

[62] (n 41) at 179

c) Delivery of human expertise and technological power at electronic speed.

Online Dispute Resolution (ODR) can function as an independent system where parties never interact in person, or it can complement existing processes that involve some face-to-face meetings. E-commerce has already shown both the necessity for innovative dispute resolution methods and their feasibility. Like traditional businesses that rely on established dispute resolution frameworks, the digital space is developing its own infrastructure with diverse resolution options tailored to the unique aspects of cross-border transactions, where much of the interaction happens electronically.[63] The flexibility of the process makes it more attractive. Promoting cross border trade, choice of law and the enforcement of law in foreign venues also makes ODR an attractive system in Nigeria.

Square Trade/eBay is an example of ODR in e-commerce being the first and most successful ODR project, which has survived till date while Cybersettle also is an Insurance claim ODR. Other services offered by ODR providers include Business-2-Consumers, Business-2-Business, intellectual property, Consumer-2-Consumer, Insurance, Business-2-Government, Auctions, Domain name, Personal injury, copyright, e-banking and privacy. The growth of ODR in new environments such as government and other areas where there is a need for new tools to respond to more complex multi-party disputes is apparent and encouraged. Suffice it to say that so far, ODR has improved the economic growth in Nigeria and it has advanced sustainable development goals therefore adequate provision of laws and resources for its use are further encouraged.

Table 1: The Interplay between ODR Technologies, Legal Reforms, and Sustainable Development Goal (SDG) Targets Demonstrating the Direct Contribution of Online Dispute Resolution to sustainable Development in Nigeria

[63] *Ibid.*

Table 1 illustrates the interplay between ODR technologies, legal reforms, and Sustainable Development Goal (SDG) targets, thereby demonstrating the direct contribution of Online Dispute Resolution to sustainable development in Nigeria

ODR Mechanism	Legal Reform Needed	SDG Target Addressed	Outcome
Mobile-based Mediation	Legal acknowledgment of e-signatures and evidence	SDG 16 – Peace, Justice and Institutions	Extensive access to justice
AI-based Arbitration	Ethical AI & data protection laws	SDG 9 – Innovation and Infrastructure	Proficient, accessible dispute resolution
Blockchain ODR	Smart Agreements Implementations	SDG 8 – Decent Work and Economic Growth	Improved confidence in Business to Business and SME industries
SMS-based Conciliation	Legal Aid Digitisation, native language terms	SDG 1 – No Poverty	Addition of underserved pastoral inhabitants

Source: Authors

Table 2: Projected Readiness of Nigeria for Online Dispute Resolution (ODR) Implementation by 2025

This table assesses Nigeria's projected capacity for implementing Online Dispute Resolution (ODR) by the year 2025, using six strategically weighted criteria that reflect their relevance to effective deployment. Although the level of digital access appears moderately advanced, significant deficiencies remain in areas such as public confidence, institutional engagement, and the operational presence of ODR platforms. These findings highlight the urgent necessity for robust legal reforms, targeted infrastructural development, and comprehensive public awareness initiatives to facilitate ODR's integration into Nigeria's sustainable justice system.

Dimension	Weight (%)	Nigeria (2025 est.)	Scoring Note
Internet or Digital Access	20%	65%	Moderate, urban/rural gap
Legal Digital Infrastructure	15%	40%	Partial e-signature and data law enforcement
Public Trust in Digital Justice	15%	30%	Low trust, limited awareness
Active ODR Platforms	15%	10%	Fewer than 10 operational platforms
Institutional Support (Courts, Gov.)	20%	50%	Some pilot programmes (Lagos state)
Affordability and Accessibility	15%	45%	Costs vary, language barriers persist

Sources: Authors

5. CHALLENGES HINDERING THE EFFECTIVENESS OF ONLINE DISPUTE RESOLUTION IN NIGERIA

Just like in every other system, ODR is not without its own hitch. The challenges hindering the effectiveness of ODR in Nigeria will be considered below.

a. ***Technological Barriers***

Technical standards vary globally, and Nigeria's technological development is continuously evolving. A key challenge in Online Dispute Resolution (ODR) is the differing levels of technological literacy among parties. Some individuals may lack the necessary technical skills or access to computers and the internet, making participation difficult. Additionally, varying levels of knowledge and digital proficiency can create barriers to effective engagement in the process.

b. ***Language Barriers***

Nigeria is a multilingual state. Where disputes arise in e-commerce transactions, parties involved may encounter language barrier because most e-commerce platforms adopt English Language, this could be a barrier for parties who do not speak the language or for those parties who use it as a second or third language. Language barrier may also hinder the development of ODR in Nigeria. Hence, there is need to build an ODR platform that will take into consideration the linguistic challenge.

c. ***Legal Difficulties***

The absence of clear legal standards for ODR creates many difficulties, particularly if the need of public enforcement arises.[64] There is currently no legal framework in Nigeria that recognises ODR. Although the Arbitration and Mediation Act of 2023, the Nigeria Data Protection Act 2023 and the Constitution of the Federal Republic of Nigeria by its provisions on access to justice in some ways enhances ODR by making dispute resolution accessible and efficient, there is currently no legal framework in Nigeria on ODR.

d. ***Enforcement of Arbitral awards***

There is no legal framework on ODR in Nigeria, and the recent Arbitration and Mediation Act of 2023 did not also make provision for the use of technologies in resolving disputes. In adopting the law to online disputes, problems may arise especially as it pertains to the use of softwares. Also, the scope of the Act in sections 1(5) and 67 on whether it applies uniformly across all Nigerian states is uncertain. This uncertainty can affect the enforceability of ODR proceedings conducted in states that has their own ADR laws.

e. ***Lack of a RegulatoryFramework***

Just like there is no legal framework for ODR, there is equally no regulatory body on ODR in Nigeria. Lack of a regulatory framework for stringent management of complaint can clog the justice system with high volume small claims.[65] Along with strengthening legal framework, efficient and comprehensive institutional infrastructure must be built for monitoring and implementation purposes.

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[64] (n 1) at 78.

[65] C Rule, V Rogers, and L Del Duca, 'Designing a Global Consumer Online Dispute Resolution (ODR) System for Cross-Border Small Value-High Volume Claims—OAS Developments' (2010) 24 UCC LJ 221

6. CONCLUSION

No doubt the law will always struggle to keep up with the pace of technological development. As the growth continues so also are the various disputes arising therefrom, it is therefore pertinent to continue to build systems and platforms that will address these disputes as they arise. It is also pertinent to set ethical standards for the use of this system. This paper has explored Online Dispute Resolution (ODR) as a driver of economic growth, highlighting its potential as an effective tool for fostering economic and sustainable development goals. However, enhancing its capabilities further could maximize its benefits and ensure broader adoption and efficiency in various sectors. Hence, partnership is required amongst Platform designers, Service Providers, Practitioners, Parties and Government to find the best way to explore ODR to its maximum benefit.