

The Advantages of Arbitration and ADR Over Litigation in National Courts

More than eight years have passed since the implementation in Greece of Law 4335/2015, which brought about radical changes in civil procedure. The main objective was to speed up the administration of justice. Although there have been subsequent amendments, the results have not been as expected. In the modern era of global trade, where competition is fierce, the well known aphorism "time is money" is more relevant than ever. Recourse to justice, therefore, should not be a hindrance when disputes arise between the parties to a contract. The option of resolving disputes through arbitration and alternative dispute resolution (ADR) methods, such as mediation, is therefore unquestionably the right choice for resolving commercial and investment disputes and relieving the concerned parties from the delay of national courts.

Following the introduction of Law 5016/2023, Greece is emerging as an ideal place for conducting arbitration by framing the procedure with favorable provisions that respond to modern practical issues. The possibility of conducting arbitrations and ADR under the auspices of recognized domestic and international institutions provide the parties concerned with the necessary guarantees so that they can be confident that their disputes will be resolved under the best possible conditions. Arbitration and ADR are essential mechanisms in the modern legal landscape, offering numerous benefits over traditional litigation; these include:

Preservation of relationships: Many disputes arise in contexts where ongoing relationships are important, such as in business partnerships. ADR methods are designed to be less adversarial than litigation, focusing on collaboration and mutual agreement. This approach helps preserve professional and personal relationships



by reducing hostility and fostering cooperative problem-solving. Mediation and negotiation allow parties to actively participate in crafting a mutually acceptable solution, rather than having a decision imposed by a judge. This participatory aspect can lead to more satisfactory outcomes and preserve relationships.

Efficiency, speed, expertise, and confidentiality: One of the primary advantages of arbitration and ADR is the efficiency with which disputes can be resolved. Court cases often take years to conclude due to backlogs and procedural complexities. In contrast, arbitration and other ADR methods such as mediation and negotiation typically involve shorter timelines as they are not bound by the same procedural rules as courts. This expedited process helps parties reach resolutions faster, allowing them to move forward without prolonged legal battles. Flexibility in the formulation of the procedure not only doesn't detract from the quality of the decision to be taken, but on the contrary, it strengthens it, as the parties are allowed to choose arbitrators with specific expertise relevant to their dispute. This specialization can lead to more informed decisions and greater satisfaction with the outcome. For instance, in complex commercial disputes, having an arbitrator with a deep understanding of the industry can be highly advantageous. Furthermore, these procedures can be confidential. ADR processes are typically private, unlike court proceedings, which are a matter of public record. This confidentiality is crucial for parties concerned about protecting trade secrets, sensitive business information, or personal privacy.

Enforceability and finality: Arbitration awards are generally binding and enforceable in the same manner as court judgments, both domestically and internationally, thanks to treaties such as the New York Convention. This finality provides parties with certainty and reduces the likelihood of prolonged appeals, which are common in traditional litigation.

In conclusion, arbitration and alternative dispute resolution offer a range of benefits that address the limitations and inefficiencies of traditional litigation. By providing faster, cost-effective, flexible, and confidential solutions, ADR supports the needs of parties seeking fair and efficient dispute resolution while preserving relationships and ensuring enforceability.

GREECE IS EMERGING AS AN IDEAL PLACE FOR CONDUCTING ARBITRATION
