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Regulating Online Dispute Resolution and Artificial Intelligence in Pakistan: Legal Reforms for E-Commerce and Gig Workers Protection

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ABSTRACT

As Pakistan undergoes a digital transformation in e-commerce and labor, the absence of a regulatory framework for Online Dispute Resolution (ODR) poses significant challenges to equitable access to justice. This research critically examines the legal vacuum surrounding ODR in Pakistan, particularly in relation to consumer disputes and the rights of gig workers, where informal digital labor lacks institutional protection. Despite global advances in digital dispute mechanisms, Pakistan remains hindered by outdated laws, procedural inflexibility, and institutional fragmentation, rather than a lack of technology or user demand. By adopting a doctrinal research methodology, the study scrutinizes statutory instruments such as the Electronic Transactions Ordinance 2002, the Prevention of Electronic Crimes Act 2016, and provincial consumer protection laws. It also targets international models, including Singapore's Community Justice and Tribunals System, the EU's Digital Services Regulation, and India's ODR Policy Plan 2023. The analysis applies disciplined frameworks of legal pluralism and algorithmic fairness to assess statutory precision, institutional volume, and procedural addition. Findings reveal that Pakistan's current legal architecture inadequately supports digital dispute resolution, particularly for marginalized users. The study proposes a phased reform strategy encompassing the enactment of a dedicated ODR statute, statutory amendments, platform accountability, gig worker protection and AI transparency. These reforms are positioned not merely as legal necessities but as democratic imperatives for digital justice. The directions include empirical research on user experiences, Islamic legal compatibility and regional legal harmonization. This research contributes to the South Asian discourse on digital justice and offers a policy roadmap for Pakistan's overdue ODR reform.

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1. Introduction

Pakistan is undergoing a substantial transformation in its digital economy, propelled by the exponential growth of e-commerce platforms, digital marketplaces, and gig work arrangements. With over eighty million internet users and a burgeoning population of freelancers, Pakistan ranks among the top five countries for online labor supply (Riaz, 2024). Services like Daraz, Foodpanda, Careem and Upwork have revolutionized access to commerce and employment yet this evolution has produced a parallel justice crisis. The traditional legal infrastructure rooted in analog systems and centralized procedures has failed to adapt to the volume, complexity, and pace of disputes arising from this digital shift. Marginalized groups, particularly gig workers, rural consumers and women, face systemic exclusion from accessible legal remedies due to the absence of modernized dispute resolution mechanisms.

Online Dispute Resolution is defined as the resolution of disputes through digital platforms without requiring physical court appearances has emerged on the international level as a cornerstone of digital justice. Jurisdictions like Singapore, Australia and the European Union have codified ODR procedures and institutional frameworks to support equitable resolution in digital commerce (Judiciary of Singapore, 2023; NSW Small Business Commissioner, 2025; European Commission, 2024). These systems enhance procedural fairness, ensure transparency in automated decision-making and provide state-backed alternatives to opaque platform-controlled resolutions. In stark contrast, Pakistan lacks any statutory instrument that explicitly governs ODR. The existing legal instruments, including the Electronic Transactions Ordinance (2002) and the Prevention of Electronic Crimes Act (2016) validate electronic documentation but remain silent on dispute resolution protocols, platform accountability, or user redress (Ministry of Commerce, 2019; ICLG, 2024).

This regulatory vacuum disproportionately impacts digital consumers and gig workers who are frequently denied avenues for legal recourse and remain subject to unilateral platform decisions without procedural safeguards (Fairwork Foundation, 2023). This study addresses the core legal and regulatory deficit, the absence of a national ODR framework in Pakistan. It argues that this lacuna not only limits access to justice but also undermines consumer trust, labor protection, and digital market legitimacy. The research adopts a doctrinal and comparative methodology to examine legal frameworks in peer jurisdictions and evaluate how Pakistan can develop a context-sensitive and rights-based ODR ecosystem. The paper aims to diagnose institutional and statutory shortcomings in the current legal framework, assess the ethical and procedural risks posed by unregulated digital dispute processes and propose a coherent set of legal and policy reforms capable of integrating ODR into Pakistan's broader justice system.

The following segments provide conceptual grounding for ODR and digital justice, a review of Pakistan's fragmented legal and institutional landscape and a comparative analysis of international ODR models. By synthesizing these insights, the paper sets out a reform agenda for aligning Pakistan's legal system with global digital justice standards while preserving cultural and constitutional integrity.

2. Legal and Conceptual Framework

The digital transformation of legal systems demands a critical re-evaluation of how justice is conceptualized and delivered in online environments. This section unfolds the foundational models that strengthen this research Online Dispute Resolution, access to justice, e-commerce and the gig economy and integrates relevant theoretical paradigms such as algorithmic governance and legal pluralism. These concepts, though distinct, interconnect in the Pakistani context to reveal systemic deficiencies in law and policy regarding digital dispute resolution (Sohail, 2024).

Online Dispute Resolution: A Modality for Integrity

ODR refers to the use of digital technologies including artificial intelligence, online negotiation portals, and virtual hearings, to resolve disputes without requiring parties to attend physical courtrooms. Katsh and Rabinovich-Einy (2017) emphasize that ODR is not merely a digitized extension of Alternative Dispute Resolution (ADR) but a transformative model that reconfigures procedural justice in a digitally networked society. ODR has advanced from elementary email exchanges to decent AI-supported platforms like the European Union's ODR portal (Regulation 524/2013) and Singapore's Community Justice and Tribunals System (Judiciary of Singapore, 2023).

ODR deviates from outdated litigation and ADR by enabling real time accessibility, automation, and remote contribution, yet its legitimacy cruxes on procedural safeguards and state oversight. In Pakistan, however, no statutory provision exists to recognize or regulate ODR. The Electronic Transactions Ordinance 2002 validates digital signatures and electronic records but remains silent on dispute mechanisms (Ministry of Commerce, 2019). This absence has created what scholars refer to as unregulated digital adjudication, wherein corporate entities impose internal grievance policies without state supervision (Asghar *et al.*, 2023)

Access to Justice in the Digital Age

Access to justice extends beyond court availability it entails affordability, timeliness fairness and equality of arms. The United Nations Development Programme (UNDP, 2016) defines it as the ability to obtain remedies through fair, efficient and accountable legal institutions. In digital contexts, access to justice requires not only legal awareness but also technological accessibility, linguistic inclusivity, and interface usability. In Pakistan, severe digital divides and judicial inefficiencies inhibit access. Rural populations lack reliable internet access while procedural bottlenecks in consumer and civil courts deter timely redress (Khan, Rahman, & Ahmad, 2024). Women and low-income workers face compounded barriers due to literacy gaps and systemic exclusion (Khanam, Yousaf, & Khan, 2024). While ODR holds promise to address these issues, its effectiveness depends on state regulation, multilingual design, and enforceable standards, none of which currently exist in Pakistan.

E-Commerce and Consumer Vulnerability

E-commerce refers to commercial transactions conducted by electronic means over the internet. According to Pakistan's National E-Commerce Policy, it encompasses all digital buying and selling activities (Ministry of Commerce, 2019). While e-commerce growth has surged fueled by platforms like Daraz, Telemart, and Amazon so have instances of fraud, delivery failures, and refund disputes (ICLG, 2024). Consumer protection laws, such as the Punjab Consumer Protection Act (2005), are outdated and do not support digital filings, online mediation, or cross-border claims. UNCTAD reports that consumers in developing economies frequently lack trust in online vendors due to the absence of enforceable digital rights (UNESCAP, 2022). In Pakistan, the lack of binding platform accountability or grievance mechanisms exacerbates consumer vulnerability. The result is a gap between contractual freedom and legal enforceability a scenario in which consumers may be contractually bound without meaningful access to remedies.

The Gig Economy and Legal Status of Gig Workers

The gig economy involves task-based, short-term work arrangements mediated through digital platforms. Globally, this includes ride-hailing drivers, food delivery agents, and freelance service providers. However, gig workers often operate in legal liminality neither fully "employees" nor "independent contractors." In Pakistan, this ambiguity is entrenched by the Industrial Relations Act 2012, which excludes gig workers from statutory protections like minimum wage, social security, and dispute redress (Centre for Labor Research, 2023).

Case law in other jurisdictions has shifted toward recognizing platform workers' rights. For example, in *Uber BV v Aslam* [2021] UKSC 5, the UK Supreme Court held that Uber drivers were "workers" entitled

to legal protections (British Institute of International and Comparative Law). No such precedent or legislation exists in Pakistan. Gig workers face unilateral deactivation and wage deductions, often governed by platform-specific codes without independent review (Riaz, 2024). Their exclusion from formal labor law institutions represents a systemic denial of access to justice.

3. Research Methodology

This study engages a comparative doctrinal legal research methodology, which comprises the systematic analysis of primary and secondary legal resources to estimate existing legal frameworks and classify potential reforms. The doctrinal module necessitated a close examination of Pakistan's current legal instruments pertinent to ODR, as well as the ETO 2002, the PECA 2016 and various provincial consumer protection laws. Institutional reports like the Pakistan E-Commerce Policy 2019 and recent Fairwork evaluations provided socio-legal context concerning digital labor and consumer rights.

The comparative dimension examined ODR policies and statutory frameworks from jurisdictions with advanced digital justice systems, such as Singapore, the European Union, Australia, and India. Key instruments included the Digital Services Act (EU Regulation 2024/3228), Singapore's Community Justice and Tribunals System (Judiciary of Singapore) and India's 2023 ODR Policy Plan (NITI Aayog, 2023). Sources reviewed spanned legislation, law review articles, case law, official policy papers, and academic journals from 2018 to 2025, ensuring both relevance and currency. The analysis applied specific evaluative criteria, including statutory clarity, institutional capacity, and access to justice for marginalized digital workers and consumers.

The research is informed by theoretical frameworks such as digital legal pluralism and algorithmic fairness which provide normative benchmarks for assessing procedural legitimacy and ethical compliance in ODR systems. This method is appropriate given the normative nature of the research question. A doctrinal approach allows for granular analysis of Pakistan's legal gaps, while comparative benchmarking identifies legally and institutionally feasible reforms. The study is limited by its reliance on secondary sources and legal texts.

4. Algorithmic Governance and Legal Pluralism in Theoretical Lenses

The two theoretical perspectives used to enhance the analysis of ODR in Pakistan include algorithmic governance and legal pluralism. Algorithm governance is the process of delegating decision-making to algorithmic or AI-based systems. Such systems can rank, solve or at times adjudicate disputes without necessarily human control (Binns, 2018). Although automation can enhance efficiency, it also creates transparency, accountability, and clarity (Mittelstadt *et al.*, 2016). In the absence of any form of statutory checks, such systems may promote the institutionalization of a black-box justice, especially when deployed by large corporations. Legal pluralism recognizes that several legal orders exist concurrently state law, private contractual codes and sets of algorithmic rules (Hildebrandt, 2021).

The legal pluralism in the ODR landscape in Pakistan has assumed the shapes of overlaying systems where the private forums establish their adjudicative systems and, in most instances, they do not use the state to control them. The gap of formal legal infrastructure allows digital corporations to be regulators and enforcers of marginalization of the judicial role and the absence of procedural neutrality. These theories and concepts shed light on the regulatory issues that characterize the core of Pakistan digital economy. ODR has the potential to bring scalable and inclusive dispute resolution, though it needs a strong legal infrastructure to bring real access to justice. The weaknesses of digital consumers and gig workers enhanced by algorithmic opaqueness and limited legislative systems underscore the necessity to reform regulations. This paper uses the principles of digital justice, algorithmic responsibility, and legal coherence to evaluate Pakistan in terms of its readiness to integrate ODR and suggest reforms based on the best practices in other countries.

5. Pakistan's Legal and Institutional Landscape for Online Dispute Resolution

Pakistan's digital economy has outpaced the development of its legal infrastructure for managing online disputes. The current regulatory environment remains fragmented, outdated and unfit for handling the unique challenges posed by digital transactions, gig work, and e-commerce. This section outlines the principal legal instruments that address aspects of digital engagement, identifies institutional fragmentation that impedes coordinated ODR development and assesses critical enforcement and access barriers. While ODR has gained traction in many jurisdictions as a fast, cost-effective, and inclusive tool for dispute resolution, Pakistan lacks a dedicated legal or policy framework to support its adoption.

Existing Legal Instruments

Several statutes relate to Pakistan's digital legal environment, but none offer a rational framework for ODR. The ETO 2002 is the state's initial digital law. It delivers legal recognition for electronic communications, digital signatures, and e-documents, laying the groundwork for e-commerce transactions (Ministry of IT & Telecom, 2020). Still, the ETO fails to define or mandate any procedures for resolving disputes arising from such transactions, leaving a regulatory blank in civil digital conflict resolution. The PECA 2016 is a cybersecurity statute that emphasizes prosecuting cybercrimes such as identity theft, online scam, and cyber harassment. It offers minimal utility in resolving commercial or labor disputes involving digital actors, as it lacks procedural guidance for civil claims or redress mechanisms for aggrieved consumers and workers (ICLG, 2024). Provincial Consumer Protection Acts, such as those enacted in Punjab (2005), Sindh (2014) and Khyber Pakhtunkhwa (1997), provide avenues for consumers to seek redress through specialized consumer courts. But these laws are not harmonized across provinces, lack provisions for electronic filing or virtual hearings and impose no obligations on e-commerce vendors or digital platforms to offer internal grievance mechanisms. There is currently no national statute mandating ODR nor a uniform consumer redressal mechanism applicable to digital commerce or gig-based labor (Patel *et al.*, 2025).

Institutional Gaps and Policy Incoherence

The institutional landscape relevant to digital justice in Pakistan is marked by fragmented jurisdiction and policy inertia. Key agencies, including the Judiciary, Ministry of Commerce, Ministry of Information Technology and Telecommunication (MoITT) and the Securities and Exchange Commission of Pakistan (SECP) operate in isolation. The judiciary continues to rely on traditional, paper-based procedures, while efforts to digitize court functions, such as e-filing or virtual mediation, remain sporadic and pilot-based. The SECP has developed limited online complaint platforms like Jamapunji, but these do not serve as comprehensive ODR portals and lack integration with courts or enforcement bodies (Shoukat, 2025).

In the meantime, MoITT's digital governance initiatives focus on broadband expansion and e-government but do not interface with the legal sector to facilitate dispute resolution. This institutional disconnection results in the absence of a unified national strategy for digital justice, allowing private platforms to operate unregulated dispute processes that lack transparency and due process guarantees (Centre for Labor Research, 2023). Reports from organizations such as the Islamabad Policy Research Institute (IPRI) and Fairwork Pakistan reveal the consequences of this fragmentation: consumers and gig workers face frequent denial of redress, absence of review mechanisms and overreliance on opaque platform policies. In many cases, gig workers are deactivated without warning or recourse, and consumers face fraud or delivery failures with no available legal pathway to challenge outcomes (Fairwork Pakistan, 2023; IPRI, 2024).

Enforcement Challenges and Access Barriers

Even where laws exist, enforcement mechanisms are either weak or inaccessible. No consumer or labor court currently supports e-filing, online mediation, or asynchronous hearings, which forces parties to pursue in-person litigation a costly and time-consuming process especially burdensome for marginalized groups. This contributes to the backlog of over two million pending cases in Pakistan's courts and deters the use of formal channels for digital disputes (Rahman & Ahmed, 2023).

Legal professionals, including judges and lawyers, often lack training in digital evidence management or online adjudication systems. There is also no legal mandate requiring private platforms to participate in state-regulated dispute systems or to inform users of their rights. Consequently, platforms act as self-regulating dispute tribunals, often determining outcomes through algorithms or pre-set policies without external review (Wright & Marella, 2020).

Digital literacy further compounds access barriers. According to the Pakistan Telecommunication Authority, while mobile phone penetration exceeds 80%, digital literacy remains low in rural and underserved areas, particularly among women and older populations (PTA, 2023). Language limitations, interface complexity, and lack of trust in digital systems reduce public engagement with any existing or emerging ODR mechanisms. Without culturally inclusive and linguistically accessible tools, ODR will remain underutilized even if legally mandated.

The absence of statutory authority, policy coordination, and functional digital infrastructure renders Pakistan's current legal framework inadequate for governing ODR. The dependence on outdated procedural laws and the lack of cross-institutional arrangements has shaped an environment where algorithmic governance flourishes in a space of legal oversight and legal pluralism leads to procedural fragmentation and ambiguity. This research draws on theories of digital justice, legal coherence, and algorithmic impartiality to evaluate these systemic breaches. It claims that without measured legal reform and institutional management, Pakistan's digital dispute ecosystem will remain unproductive, leaving defenseless users, digital consumers, and gig workers without trustworthy avenues for redress.

6. Comparative Analysis: International Models vs. Pakistan

It compares Pakistan's underdeveloped ODR background with global models to recognize regulatory innovations and institutional best practices that could enlighten Pakistan's legal reform agenda. Jurisdictions such as the European Union, Singapore, UK, the USA, China, and Australia have developed diverse approaches to surround ODR within their justice systems. Their practices highlight not only technological viability but also the importance of legislative commitment, institutional coherence, and protections for platform-based workers, while digital consumer's essentials are currently not present in Pakistan.

The EU has institutionalized ODR as a core element of consumer protection. Regulation (EU) No. 524/2013 established a centralized ODR platform for resolving cross-border disputes arising from online purchases. This platform is supported by national dispute resolution bodies and guarantees procedural safeguards, transparency, and legal enforceability of outcomes. More recently, the Digital Services Act (Regulation 2024/3228/EU) mandates that large online platforms provide users with access to certified dispute resolution mechanisms (European Commission, 2024). These legal instruments reflect the EU's broader commitment to harmonized, accessible, and enforceable digital consumer rights. By contrast, Pakistan's Consumer Protection Acts are fragmented across provinces and offer no mechanism for electronic complaint filing, virtual mediation, or platform accountability. There are no national law mandating e-commerce platforms to facilitate or participate in any form of dispute resolution. This regulatory gap not only limits access to justice but also erodes consumer confidence in online marketplaces.

Singapore has adopted a highly integrated and state-driven ODR model. Its Community Justice and

Tribunals System (CJTS) allows users to e-file claims, engage in e-negotiation or e-mediation, and attend online hearings, all through a government-hosted portal. The CJTS supports a range of disputes from tenancy issues to harassment claims and uses AI-supported interfaces in multiple languages to improve accessibility (Judiciary of Singapore, 2023). The system is user-friendly, procedurally rigorous, and embedded within the judicial infrastructure, ensuring that digital justice is both effective and legitimate. Pakistan's judiciary offers no comparable digital interface or public-facing ODR portal. Civil and consumer courts continue to rely on manual procedures, and judicial digitization efforts remain fragmented and underfunded. Singapore's experience illustrates the importance of a centralized, multilingual, and procedurally robust digital system, suggesting that Pakistan should consider a unified ODR portal operated under judicial oversight.

In the United Kingdom, the HM Courts & Tribunals Service (2025) has piloted several digital justice initiatives, including Money Claim Online (MCOL) and online mediation for small claims. These programs reduce reliance on physical hearing and are increasingly being integrated into mandatory dispute resolution processes (UK Ministry of Justice, 2023). These reforms ensure that even low-value disputes are resolved efficiently and fairly, combining accessibility with judicial authority.

The United States lacks a federal ODR statute but has seen widespread adoption of private ODR platforms such as Modria (CEDR, Modria), Matterhorn (Court Innovations, Matterhorn) and SquareTrade often used by e-commerce giants and local courts. Some states have implemented digital portals for traffic tickets, landlord-tenant disputes, and family law matters. These decentralized innovations demonstrate how public-private partnerships and technology-neutral legislation can enable flexible ODR adoption. In contrast, Pakistan lacks both public ODR initiatives and scalable private systems. There is no regulatory support or accreditation for private ODR providers, nor is there an enabling environment for judicial innovation. Lessons from the UK and US highlight the value of experimentation, flexible policy environments, and technological integration, all of which are currently missing in Pakistan.

China's ODR framework blends judicial innovation with private sector engagement. The Hangzhou Internet Court processes cases entirely online, including submission of evidence, hearings, and delivery of judgments. Tech companies such as Alibaba operate internal ODR systems that resolve millions of consumer disputes annually. While concerns remain about corporate bias and state surveillance, these models demonstrate the potential of digital adjudication at scale (Conrad, 2022). Pakistan, by contrast, has not explored AI-enabled adjudication or court-integrated digital litigation, even as its e-commerce ecosystem expands. China's model, while politically and institutionally distinct, shows that volume-driven efficiency in digital dispute resolution is possible when technological and institutional capacity align.

Australia has pioneered labor protections in the gig economy through its Fair Work Digital Platform Deactivation Code (2025). This legal instrument mandates procedural fairness, notice of deactivation and access to online redress mechanisms for gig workers (NSW Small Business Commissioner, 2025). These protections recognize the unique vulnerabilities of platform-based workers and aim to balance flexibility with basic rights. Pakistan offers no formal recognition or redress mechanisms for gig workers. The Industrial Relations Act (2012) does not extend protections to freelance or platform-based workers, leaving them helpless to unilateral decisions by platforms like Food panda or Careem. Australia's model underscores the importance of codifying gig worker status and embedding dispute rights within labor law a crucial gap in Pakistan's current framework.

7. Statutory Mandates, Not Technological Deficit

Across jurisdictions, successful ODR implementation depends less on technological advancement and more on legal clarity, institutional coordination, and statutory mandates. While countries like Singapore and the EU embed ODR within judicial and regulatory frameworks, Pakistan continues to rely on

outdated, paper-based systems and unregulated private mechanisms. The comparative analysis reveals that Pakistan's lag is legal and policy-driven, not technological and emphasizes the urgent need for context-sensitive reforms. The next section will propose a roadmap for such reforms, drawing on the lessons identified here.

8. Legal Status and Vulnerabilities of Gig Workers in Pakistan

Gig workers in Pakistan lack formal employment recognition, resulting in exclusion from labor protections and court remedies. The Centre for Labor Research (2023) and Fairwork Pakistan (2023) report that most platforms operating in Pakistan do not offer grievance mechanisms. As a result, workers terminated from apps like Foodpanda or Careem cannot challenge their suspension. Comparatively, Australia and California now require platforms to provide review and appeal options. Pakistan's Trade Dispute Resolution Bill 2023 recommends a limited ODR pilot but without binding legal standards, it risks being ineffective (TDRO, 2023). Experts recommend integrating gig worker rights into prevailing labour codes and authorized dispute platforms regulated by the judiciary or state bodies.

9. Ethical and Practical Challenges in ODR Implementation

The integration of ODR, particularly AI-driven mechanisms, presents not only opportunities but serious ethical and legal problems, especially in circumstances like Pakistan, where the legal system has yet to adapt to digital realities. Although ODR can increase efficacy and reduce case backlogs, its unregulated deployment dangers undermining principles of transparency, fairness, and inclusiveness. Without adequate legal safeguards, ODR may unconsciously replicate the very injustices it seeks to eliminate.

Algorithmic Bias and the Problem of “Black-Box” Justice

AI-based ODR tools are used to rationalize decisions through analytical modelling, automated triage, or algorithmic adjudication. However, these systems may maintain or even exacerbate structural biases if trained on datasets that imitate existing social or legal inequalities. As Katsh and Rabinovich-Einy (2017) warn, such systems can produce opaque, “black-box” outcomes where users are unaware of how decisions are made or how to challenge them. In Pakistan, there is no legislative mechanism for algorithmic accountability. The draft Personal Data Protection Bill does not address AI transparency and the country lacks any equivalent to the EU's AI Act or India's 2023 ODR policy proposal, which recommends fairness, auditability, and user redress mechanisms for automated dispute systems (NITI Aayog, 2023). In the absence of oversight, Pakistani users, especially gig workers and rural consumers, face the risk of cloudy and potentially biased outcomes without remedy.

Privacy and Data Protection Failures

ODR processes require disputing parties to upload sensitive personal information, including financial, employment and location data. Yet, Pakistan has no comprehensive data protection law in force. The Personal Data Protection Bill, first introduced in 2020, remains stalled in the legislative process, and there is no independent data authority to enforce privacy rights. This regulatory vacuum exposes users to risks of data misuse, unauthorized sharing, and lack of confidentiality, particularly in private ODR platforms with commercial interests. By comparison, the General Data Protection Regulation (GDPR) in the European Union (European Parliament & Council of the European Union, 2016) mandates strict user consent, data minimization and security protocols standards absent from Pakistan's ODR landscape (Digital Rights Foundation, 2023).

Procedural Fairness and the Absence of Due Process

A major ethical concern in privatized ODR models is the lack of procedural safeguards. Many platforms in Pakistan act simultaneously as service providers, adjudicators and enforcers, leaving users with no guarantee of impartiality or access to appeal. Pakistan's judicial system does not formally recognize ODR awards under any civil procedure law, meaning such decisions may lack binding force. Furthermore, no statutory appeal mechanism exists for ODR outcomes unlike in Singapore's CJTS system or Australia's Fair Work Commission procedures, where users may challenge decisions through

supervised channels by state.

Cultural, Linguistic and Digital Literacy Barriers

Beyond legal gaps, practical implementation is challenged by digital inequality, language diversity, and low legal awareness. Many ODR systems require English proficiency and smartphone access factors which marginalize large segments of the population, especially women, rural users, and low-income individuals. Without inclusive interfaces, multilingual support, and accessible design, ODR risks excluding those most in need of efficient dispute mechanisms. Addressing these ethical and practical hurdles is essential. Lacking legal and procedural reform, ODR in Pakistan will remain legally ambiguous, with moral imperfections and unapproachable, justifying the urgent need for a strong regulatory framework suggested in the research.

10. Recommendations and Reforms for Pakistan's ODR Framework

In order to fill the legal, institutional and procedural gaps suggested in this paper, Pakistan needs a multi-tiered approach to reform. These suggestions will provide practical legal and policy solutions to establish a strong ODR framework that will address the interests of consumers and digital employees. These reforms can be short-term amendments and institutional alignment and some of them are long-term structural changes.

At first, Pakistan should enact a comprehensive Online Dispute Resolution Act. This type of legislation would acknowledge legally the digital processes of e-negotiation, e-mediation and e-arbitration and provide binding force to results achieved by these. Cooperation on the part of platforms to help resolve disputes should also be required by law and procedural guarantees such as the right to appeal, decision transparency and fair standards must be provided. This change would fill the normative gap in the legislation of Pakistan Models such as the European Union's Regulation (EU) No. 524/2013 on consumer ODR and India's NITI Aayog ODR Policy Plan (2023) offer concrete legal templates that Pakistan could adapt (NITI Aayog, 2023).

Second, the current laws in Pakistan should be revised to include the ODR mechanisms. According to the Electronic Transactions Ordinance 2002, the ODR outcomes should be revised to acknowledge the legal validity of the outcomes, particularly those that are obtained through the hybrid or automated systems. ADR Act 2017 needs to be revised to consider digital processes so that e-mediation and e-arbitration are legally equal to their offline equivalents. Furthermore, provincial consumer protection laws should be amended to allow e-filing of complaints, require platforms to provide online grievance mechanisms and offer digital access to redressal forums. These changes would effectively embed ODR within the traditional legal architecture and promote procedural accessibility (Gondal, Ahmad, & Hamid, 2024).

Reforms must also address the lack of legal recognition and protection for gig and platform workers. Pakistan should either amend existing labor legislation or introduce a new "Platform Work Regulation Act" to provide basic rights and establish online dispute resolution mechanisms for platform-based labor. Drawing on comparative models like Spain's Rider Law and Australia's Fair Work Digital Platform Guidelines, this reform would safeguard gig workers from arbitrary termination, payment disputes, and algorithmic management without recourse. The necessity of such legal protections is underscored by the 2023 Fairwork report, which ranks Pakistan poorly in terms of platform fairness and dispute mechanisms (Fairwork, 2023).

Another recommendation is the establishment of a unified national ODR portal. This platform should be developed through collaboration between the Ministry of IT & Telecom, the judiciary and regulatory

bodies such as the Securities and Exchange Commission of Pakistan (SECP). A centralized portal would streamline access to justice for both consumers and digital workers by providing services such as e-filing, e-mediation, multilingual interfaces and AI-based triage. Integration with government databases such as NADRA would facilitate identity verification, while the use of AI must be limited to non-decision-making roles to preserve human oversight. Singapore's Community Justice and Tribunals System provide a valuable model in this regard (Judiciary of Singapore, 2023).

To ensure quality and accountability, Pakistan must create a licensing and oversight framework for private ODR service providers. A dedicated regulatory body either under SECP or a new Digital Dispute Resolution Commission should accredit and monitor such platforms. Accreditation standards must include neutrality, transparency, safety, and compliance with due process. Such a framework mirrors the approach advocated by the United States' National Center for Technology and Dispute Resolution and helps build public trust in digital justice infrastructure (Rule, 2020).

The legislative framework must also address data protection and algorithmic transparency. The pending Personal Data Protection Bill should be passed without further delay, with enforceable provisions on user consent, data minimization, retention, and redress. In parallel, rules should be established to govern the use of artificial intelligence in ODR systems. These must ensure that automated decision-making processes are explainable, auditable, and subject to appeal. The European Union's Artificial Intelligence Act offers a guiding model particularly for high-risk use cases in dispute resolution (European Commission, 2024).

Finally, successful ODR implementation requires substantial capacity building and public engagement. Judicial officers, lawyers, and mediators should be trained in the use of legal tech and ODR tools. Law schools must incorporate modules on legal informatics, dispute technology, and regulatory technology into their curricula. Public awareness campaigns should educate consumers and workers about their rights and access to digital redress systems. Materials should be available in Urdu and regional languages, and user interfaces must be accessible to those with limited digital literacy. These human-centered interferences will guarantee that ODR will not remain a technological abstraction but will become a meaningful path for comprehensive justice.

Regarding prioritization, the short-term reforms can involve the amendment of the ETO (2002) and ADR Act (2017), the enactment of the data protection law and the creation of a pilot ODR platform. The medium-term objectives would include the enactment of an extensive ODR law, a regulatory body of ODR providers and the introduction of organized training to stakeholders. The reforms that should be made in the long term are the legal recognition of gig workers, the introduction of the concept of algorithmic transparency into AI regulations and the extension of the unified ODR system to the entire country.

11. Conclusion

Pakistan is at a critical point of the development of its justice system. With virtual platforms of e-commerce and online work rapidly growing, the lack of a consistent legal framework of Online Dispute Resolution poses a threat to multiply the disparities of access to justice especially by vulnerable populations, including gig workers and online consumers. There are a potential of technological development and a desire by the user to have digital redress, but Pakistan has been trapped in a regulatory inertia of fragmented legislation, institutional silos and the absence of procedural protection to bring effective implementation. The other jurisdictions like Singapore, the EU and India have been on aggressive in institutionalizing ODR and they provide viable examples that Pakistan can emulate. This

paper offers a complete legal road map towards ODR reform, therefore, introducing a new standalone ODR law, reforms to the current legislation such as the ETO 2002 and ADR Act 2017, regulatory models and capacity building practices of platforms and accountability. These reforms would greatly cut the judicial backlog in the event of their adoption and may also empower digital workers and increase confidence in the online economy bridging the justice gap in a rapidly digitizing society. The research contributes to the broader discourse on digital justice in South Asia and offers a policy relevant framework for national stakeholders. Future studies should empirically examine the experiences of gig workers with dispute processes, explore culturally appropriate integration with Islamic legal principles and pilot ODR platforms to assess usability and fairness. Regional collaboration with SAARC states or harmonization with UNCITRAL standards may also enrich Pakistan's path toward digital legal transformation. Ensuring that digital progress is matched by justice progress is essential to complete governance in the digital age.

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