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4. LITERATURE REVIEW

Bruce A. Edwards (2024) examines the changing role of artificial intelligence (AI) in mediation, its potential to expand dispute resolution proceedings. He refers to how AI can be used to aid mediators at all levels, from preparation and communication to bargaining and drafting settlement agreements. Edwards also insists, however, that qualities such as empathy, imagination, and moral judgment cannot be sacrificed in mediation and argues that AI must be no more than an ancillary aid, and not a substitute for human mediators.

Katie Shonk (2025) discusses increased application of artificial intelligence (AI) in mediation and its strengths and weaknesses. AI software such as ChatGPT can aid mediators through analysis of data and suggesting possible solutions, they provide challenges in probability of error and ineptness in dealing with emotions. The article emphasizes that AI should be employed as a facilitation tool to assist human mediators instead of substituting human mediators as the decision-making authority.

Paula Rathjen (2024) examines the impact of artificial intelligence (AI) in the field of mediation, and AI's potential to shift practice in the future. Rathjen explains the manner in which AI can facilitate mediation through the automation of office work, providing data-based analysis, and making online mediations possible. Nonetheless, Rathjen also refers to the necessity of determining human control in an effort to overcome obstacles such as prejudice, privacy of data, and the role of emotional intelligence in resolving conflicts. This piece evaluates the prospects for artificial intelligence to improve speed, and costs, and efficacy of mediation.

Teresa Whitfield (2024) explores the implications of artificial intelligence, for mediation and related peacebuilding and conflict resolution efforts. Whitfield provides an evenhanded portrayal of the opportunities to derive from, and risks associated with artificial intelligence, with a recommendation that artificial intelligence is integrated in a way which supports ethical legitimacy and effectiveness.

Martin Daubney AM KC (2025) assesses how artificial intelligence (AI) is influencing professional family mediation. Daubney noted potential merits and drawbacks of AI for mediation but observed that there will always need to be a human dimension to provide ethical oversight for the practical resolution of disputes in a cohesive way. Daubney also raised the matter of AI systems making bad decisions and that AI may not sufficiently attend to the emotional components of mediation.

4.1 MEDIATION AND ADR IN THE DIGITAL AGE

Alternative Dispute Resolution (ADR) is defined broadly as the many methods of resolving disputes, as options to Court based formal legal action. ADR systems can consist of mediation, arbitration, negotiation, conciliation, or more recently, online dispute resolution (ODR). Mediation is notable for its central features of volunteer participation, confidentiality, and cooperation. Mediation engages a neutral third party or mediator, that can facilitate conversations between parties in dispute to arrive at an acceptable resolution. Mediation is non-binding, excluding an actual settlement pursuant to a document and consent to the settlement, in contrast to arbitration or a litigation process. During the last two decades, our society has manifested major shifts related to the emergence of a digital age, which has also altered the practices of ADR. Digitization of the processes around law, provides new possibilities for dispute resolution to become more efficient, accessible and scalable, particularly through traditional legal processes like Courts that are overwhelmed, slow or even entirely unavailable. The digitization of ADR gained some significant momentum following the COVID-19 pandemic, which also played an important role in normalizing the use of digital technologies in legal processes and the acceptance virtual mediation and ODR could be utilized as alternatives to in person dispute resolution.

The Rise of Online Dispute Resolution (ODR)

Online Dispute Resolution (ODR) is a form of dispute resolution that uses technology, in a platform or context that helps resolve disputes in an out-of-court setting. ODR systems use tools and techniques (e.g., video conferencing, asynchronous communication, digital document exchange, and increasingly AI) to assist with mediation and arbitration. ODR can be a useful tool in areas like e-commerce, consumer disputes, insurance, cross-border transactions, and small claims.

Some examples of notable ODR platforms are Modria (which eBay and PayPal also used), Matterhorn, and ODR Europe. ODR systems resolve millions of disputes each year without meeting in person. Some provided deployment are fully automated and purely online, while others provide an online platform for human mediators to use technology.

Advantages of ODR and digital mediation include

- Accessibility: Many parties can participate from anywhere, regardless of their location or ability to travel;
- Cost-effective: Less travel, less time out of the office, and a smaller room occupancy will reduce costs;
- Time-efficient: In many circumstances, conflict resolution is significantly faster than a formal litigation process;
- Scalable: Platforms can handle a very high capacity of disputes to scale up, which is especially useful for online marketplaces and government services.

Nonetheless, the shift to digitized entails obstacles that include digital literacy, inequitable access (the digital divide), data security issues, and will technology be able to capture the nuances that are a part of face-to-face mediation when human interaction, emotion, and empathy are critical elements of the mediation process.

Mediation in the Digital Environment

Digital mediation is the term for mediation conducted online through platforms like Zoom and Microsoft Teams or proprietary ADR software. Virtual mediation is prevalent among courts, law firms, and private ADR organizations, dating back to the early 2020s. In this digital setting, the mediator relies on their traditional communication and facilitation skills, as well as their digital competence for technological issues.

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A significant evolution in digital mediation is the hybrid model, in which a portion of the mediation process is automated (e.g., case intake, preliminary screening or document collection), while part of the mediation process is still mediated by a human mediator engaged in the actual negotiation. Some platforms incorporate AI-powered assistants, which help analyse the case data, predict likely outcomes, or provide templates of solutions based on previous similar disputes.

For cross-border and high-volume commercial disputes, digital mediation greatly increases efficiencies in international cooperation and resolution of disputes, while minimizing the need for other costly and complex forms of international litigation or arbitration. Additionally, digital mediation has enhanced the democratization of access to justice. Individuals and small businesses who previously could not afford formal legal proceedings can now engage in a structured process of resolution which is much less formal, more affordable, and significantly more efficient.

4.2 AI IN MEDIATION: CURRENT APPLICATION

Artificial Intelligence (AI) is increasingly applied within mediation processes to increase efficiency, access, and decision-making. Although AI has not displaced human mediators yet, it has become a complementary tool in some phases of the mediation process ranging from case intakes to resolution. One of the most common uses of AI in mediation is triaging and pre-mediation analysis where machine learning algorithms scan dispute data to determine the character of the dispute, categorize the nature of the case, and decide whether the case is apt for mediation or not. This assists in the optimization of workflow as well as resource or mediator allocation. Problem identification and data retrieval are also made easier with AI-enabled tools, particularly for high or document-heavy cases. Natural Language Processing (NLP) enables automated document, email, and legal writing reading to spot areas of conflict, relevant legal provisions, or recurring themes, enhancing mediators' understanding of the dispute before sessions.

With mediation, AI is also used in providing real-time communication support, especially in cross-border or multilingual disputes. AI software offers auto-translation, auto-transcription, and sentiment analysis which help the mediator in recognizing emotional signs, tension, or change of tone that are lost on text-based or virtual systems. On other platforms, AI even prepares settlement proposals or solution patterns from reference to similar case outcomes so that the parties can entertain precedent-based or statistically likely resolutions. Although ultimate decision-making is left in the hands of the parties and the human mediator, these AI-based suggestions may help reduce possibilities and encourage productive dialogue.

After mediation, AI prepares settlement agreements with generative AI models trained on legal text to generate structured legally compliant documents that reflect the agreed terms. Certain platforms also employ AI to monitor compliance and follow-up, reminding parties or mediators about upcoming deadlines or possible agreement term breaches. Apart from that, AI analytics software gathers and evaluate data from multiple cases to determine trends in rates of resolution, performance of mediators, and procedural delay, which further contribute towards continuous mediation practice improvement.

Several platforms already incorporate these AI features. Modria, for instance, uses logic-based automation to assist parties by way of structured resolution processes, and Resolve Disputes Online (RDO) software utilizes AI in case management and predictive analysis. These are moves towards "augmented mediation," whereby AI complements but does not replace the human-aspect of dispute resolution. But with its promise comes the necessity that it must be used carefully to provide fairness, transparency, and ethical integrity. The word complementarity tool is thus used best to describe AI in mediation due to its immense potential to maximize outcomes but only when its use is balanced with human judgment and moral consideration.

4.3 ADVANTAGES AND DISADVANTAGES OF AI IN MEDIATION

ADVANTAGES OF AI	DISADVANTAGES OF AI
Automates routine and administrative tasks	Potential bias in AI algorithms affecting fairness
Speeds up the mediation process	Privacy and confidentiality risks with sensitive data
Enhances communication by analysing emotions and sentiments	Lack of human empathy and emotional intelligence
Enables virtual mediation, increasing accessibility	Over-reliance on technology may cause disruptions
Provides data-driven insights and negotiation suggestions	Legal and regulatory challenges around AI use
Reduces overall costs for parties and organisations	Transparency issues with AI decision-making can be a “black box”
Helps identify common ground and potential solutions faster	Limited ability to handle complex or sensitive ethical issues
Supports multi-language mediation through translation tools	Risk of technical failures disrupting mediation sessions

4.4 BENEFITS OF AI IN MEDIATION

Artificial Intelligence (AI) is progressively revolutionizing the mediation industry by providing technology that can ease the process, cut expenses, and contribute to equitable and informed decision-making. Mediation conventionally uses human mediators to transmit between parties in conflict, but AI introduces new abilities to improve the process without substituting the human factor. The subsequent are the extended advantages of incorporating AI in mediation:

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Enhanced Efficiency and Quickness: AI significantly improves mediation by taking over mundane tasks such as reading documents, data analysis, and calendar organization. AI can easily summarize the key points in a flash, identify areas of agreement and disagreement, and aid in preparation of the material for a case. This enables mediators to dedicate more time to resolving disputes and less time to paperwork, leading to successful and effective mediations.

Minimized Expenses: AI reduces the cost of mediation overall by preventing time consumption on activities such as file reading, communication, and coordination. It also offers online mediation, which eliminates travel and logistics costs. By automating work, AI decreases the cost of mediation and lowers it, especially for small businesses and individuals.

Insight with Data: AI will study history cases and bargaining patterns to provide smart recommendations, e.g., likely outcomes or reasonable settlement ranges. Parties and mediators become more knowledgeable, more strategic decision-makers. By highlighting trends and potential dangers, AI facilitates more objective and fair settlements.

Heightened Objectivity and Neutrality: AI acts to lower personal bias in mediation by using neutral analysis founded on facts rather than emotion or opinion. It keeps the decisions fact-based and determined through repeatable patterns so that fairness and impartiality are maintained. This guarantees a balanced process for all concerned parties.

Personalized Support and Emotional Sensitivity: AI can process tone and words to recognize emotions, degrees of stress, or level of conflict in mediation. This allows mediators to respond more effectively and match their approach better to every party's emotional needs. AI improves communication and inspires more empathetic and constructive conversation by way of instant feedback and support.

Support for ODR: AI is the driving force behind ODR as it enables distant dispute resolution on digital platforms. It automates case management, directs users to follow procedures, and allows party-to-party communication. This makes easy, efficient, and scalable resolution of disputes possible, particularly for high-value or low-volume cases.

4.5 CHALLENGES AND CRITICISMS

Although AI has numerous advantageous implications for mediation, its application simultaneously raises some serious issues and concerns that cannot be ignored. The mediation process's use of AI might bring about the loss of some indispensable human aspects such as empathy, intuition, and moral judgment, which are necessary for imparting fair and sensitive resolutions to conflicts. Moreover, the whole matter of the AI algorithm's bias, data privacy, and the risk of people relying heavily on machines at the expense of their skills have all contributed to the call for careful handling of the issue. These challenges indicate that AI should rather assist the mediation process than replace the mediators, thus safeguarding neutrality, fairness, and trust as the main characteristics of the mediation process all through.

AI does not possess human-like qualities like judgment and empathy: AI is devoid of emotional intelligence and the fine comprehension of the situation that human mediators help to bring about in negotiations. It may even have difficulties in understanding the subtle feelings, the culture, and the personal relationships that are sometimes very decisive in yielding a fair and lasting solution. The very fact that AI is not able to provide empathy and judgment in dealing with sensitive matters or complicated cases means that it is not suitable for total replacement of human mediators.

Bias in Big Data and Algorithms: Inherent in AI systems are instances of systematic unleashing of historical data, infected throughout by prejudices such as one's race, sex, and a whole plethora of other areas of identity. In case these prejudices are left untackled, AI could even take partiality towards or against certain groups or individuals unfairly in the negotiation process. Moreover, the verdicts of numerous AI models may be quite inscrutable, thus complicating the identification and correction of such biases even further.

Privacy and Data Security Concerns: The process of mediation includes the handling of private and confidential information, and thus the involvement of AI in the process poses a potential threat concerning the methods of data storage and protection applied. In the absence of adequate security arrangements, there is a risk of either data leaks or unauthorized access. Thus, it is important to have AI systems in compliance with the privacy laws and safeguarding of participants' information is a must to continue the trust in the process.

Over-Reliance on Technology: Over-dependence on AI for mediation may cause a decline in the involvement of humans and the application of critical thinking. The parties and the facilitators may treat AI's advice as the only correct solution and hence the important nuances or differences in the case might be ignored. The blending of AI support and human opinion is the major prerequisite for mediation to be rendered successful.

Limited Accessibility and Digital Divide: AI may open up new avenues for mediation for a section of the population, but at the same time, it could become a barrier for those lacking digital skills, experiencing internet problems, or not having access to technology. Consequently, the digital divide might lead to an unequal distribution of advantages between the better-off and the underprivileged, especially those living in rural areas, thus forming new problems while attempting to eradicate the old ones.

Lack of Flexibility in Complex Cases: AI tends to function within certain parameters of rules and patterns, making it quite difficult for it to handle complicated, emotionally charged, or unique disputes. Moreover, in some instances, human mediators might be faster in detecting or responding to the development of unexpected situations and hence, AI might take longer than them which disrupts its functioning in delicate or multi-party disputes.

Uncertainty around Ethics and Law: AI in mediation is a double-edged sword, causing the issue of liability and accountability of the parties involved, especially in case AI

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commits a blunder in advising or yielding unjust results, to come up. On the other hand, an absence of clear-cut regulations regarding the role of AI in mediation keeps one tied up in a quandary about how to keep things open, secure the rights of the parties, and deal with the ethical concerns.

5. CONCLUSION

Artificial intelligence (AI) is quickly changing how mediation looks by providing new possibilities to improve dispute resolution. AI can analyse vast amounts of information, and quickly identify the most salient information, and generate relatively objective insights into disputes, which then creates an opportunity to conduct mediation sessions more efficiently than with traditional means, potentially reducing time and cost for all parties involved. Online dispute resolution platforms that incorporate AI technology allow those from remote locations or less-advantaged socioeconomic conditions, and are likely to provide greater inclusivity to mediation processes. AI can also provide mediators with predictive analyses and sentiment analyses that support mediators' decision-making processes in resolving disputes and engage parties in constructive dialogue.

Nonetheless, although significant value is provided through AI systems, challenges can arise, if not addressed appropriately. AI systems do not have the same degree of human empathy and judgment that often are needed in understanding emotional and cultural nuances that may be quite important in mediating disputes. Data and/or algorithmic bias error may lead to a possible unfair result, if not appropriately controlled. Even though technology based on AI is gradually gaining acceptance, privacy, and confidentiality are still the most significant issues around it.

The communication of personal data through the mediation process and the risk of bias leading to unfair treatment are two of the major reasons calling for the adoption of stronger security safeguards for the delicate information. Furthermore, the case where AI is given too much power might result in the downfall of the human factors that are very important in mediation, especially those regarding negotiation skills and emotional intelligence. Due to their limitations, AI technologies should be viewed as an ancillary support mechanism for mediators, rather than substitute, for the mediation competence required of a human mediator.

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