

THE ROLE OF THE MULTIDOOR COURT HOUSE IN THE RESOLUTION OF DISPUTES IN SMALL AND MEDIUM SCALE ENTERPRISES IN NIGERIA

ABSTRACT

Business activities largely involve creation of contracts at different levels. These contracts create rights and obligations that are expected to be fulfilled for businesses to thrive. However,

very often, there are breaches, partially or fully, or disagreements over the terms of the contracts between and among business entities and individuals. When this happens, as it often does, it is expected that there are frameworks, structures and systems within an economy for timely resolution of disputes and enforcement of the contract to keep the sanctity of the business

Disputes may also arise among the various stakeholders of small and Medium Scale Enterprises whose entrepreneurs may not have the capacities or the will to pursued the resolution of such disputes through the conventional courts.

The challenges of delay, cost, broken relationships, unnecessary publicity and restrictive outcomes of litigation in Nigeria have made it largely ineffective for the resolution of business or commercial disputes in Nigeria .

One of the major functions of law is to provide effective , efficient , responsible , reliable and objective systems to members of communities and societies

The engagements of the various methods of Alternative Dispute Resolution such as Arbitration, Mediation, Negotiation , Negotiation, Conciliation , Expert Determination and other fitting methods by The Multi Door Court House have made the resolution of such disputes more effective and results oriented when they occur in Small and Medium Scale Enterprises

The Multi Door Court House as an Institution has particularly contributed to Access to Justice through the engagement of these ADR mechanisms for the resolution of commercial disputes particularly in Small and Medium Scale Enterprises in Nigeria

Key Words Access to Justice Small Medium Scale Enterprises Multi Door Court House

Alternative Dispute Resolution

1.0 Introduction

1.1 Small and Medium Scale Enterprises

Although enterprises differ in terms of size, structure, and complexity, they are all defined by the use of resources to achieve specific goals. In general, businesses are divided into four categories: small, medium, big, and micro. Petty or artisanal companies, street sellers, and other similar businesses are examples of micro enterprises.¹

Micro enterprises are not expected to fulfill stringent regulatory requirements and largely operate in the informal sector of the economy especially in developing economies. In contrast, small and medium sized enterprises (SMEs) are larger in size, demands relative formal structure, are impacted substantially by business environmental factors and accounts for a considerable percentage of all businesses in the “formal sector” of an economy.

It is commonly known and established that SMEs are ubiquitous in almost every area of the Nigerian economy and play a significant role in the country's development. They include increasing the industrial base's diversity and growth, using local resources and expertise, generating wealth, reducing poverty, and reducing rural-urban migration, among other things. The utilization of idle financial resources, fostering competition by providing a range of goods and services, easing the burden on foreign exchange demand through import substitution, supplying large companies with intermediate services and supplies, creating jobs, and serving as a source of innovation are further examples of the economic imperatives of SMEs.² Realizing the importance of SMEs in propelling Nigeria's economy forward—from crude oil exports as a primary source of funding for the government to an industrial and service-driven economy—successive governments at all levels have launched and carried out concerted initiatives in the form of policy directives and interventions to hasten the expansion and sustainability of the SME sector. For example, the Bank of Industry and the Small and Micro Enterprise Development Agency (SMEDAN) were founded to offer low-interest loans and technical

¹ Abdullahi, I.I. & Sulaiman, C. (2015). The determinants of small and medium-sized enterprises performance in Nigeria. *Advances in Economics and Business* 3(5), 184-189

² Dimoji F. A. & Onwuneme L. N (2016).Small and Medium Scale Enterprises and Sustainable Economic Development in Nigeria. *Proceedings of 33rd International Business Research Conference* 4 - 5 January 2016, Dubai.

assistance to them³. Under the Small and Medium Enterprises Equity Investment Scheme (SMIEIS), commercial banks must invest at least 10% of their pre-tax profit in SMEs. In 2014, the Central Bank of Nigeria (CBN) established a 220 billion naira SMEs intervention fund.⁴ But in spite of the enormous efforts made by succeeding governments and other stakeholders, the majority of recently founded SMEs fail to survive their first two years, and those that do survive are either closing down completely or performing at a subpar level. Due to the high rate of death of SMEs, it is important to examine internal operational effectiveness and efficiency and to comprehend the complex network of external environmental factors that can limit SMEs' flexibility and ability to seize business opportunities that are essential for expansion and profitability. SMEs must meet a number of requirements in order to succeed, according to Chowdhury.⁵ These include a well-organized use of human resources, capital, and marketing, as well as the type of regulatory and legal framework, infrastructure, and business support services.

This paper would briefly discuss prevailing challenges that many SMSEs in Nigeria regularly face and which may contribute to their sustainability or otherwise . They are the following:

- a. Finances: It is now acknowledged that finance is a crucial component of a business's ability to survive. It is the grease that keeps any organization running smoothly. This means that access to affordable long-term finance is essential for SMEs to thrive and make a significant contribution to the nation's production. The majority of SMEs in Nigeria are now struggling with funding. SMEs can choose from a variety of funding methods, including debt, equity, and owner-finance. In addition to owner financing, which is typically largely inadequate to cover the financial needs of the business, other solutions come with a host of onerous criteria and duties that the majority of SMEs are frequently unable to achieve. Government attempts at solving the problem of finance faced by SMEs through the establishment of institutions like the Bank of industry (BOI) and targeted intervention policy like SMEs Equity Investment Scheme (SMEEIS) have turned out to be a drop in the ocean and characterized by weak capitalization, bureaucracy and poor knowledge of the sector it is supposed to serve.. Since SMEs are viewed as high risk by Nigerian financial institutions, long-term loans are not offered. When SMEs are successful in obtaining loan financing from banks and other official or informal financial intermediaries, the terms are typically short-term and the interest rate is exploitative. Because

³ Afolabi, O. and Adetunji, A. (2020). The Role of Bank of Industry in the Growth of Small and Medium Enterprises in Nigeria. *Journal of Business and Economic Development*, 5(2), 90-104.

⁴ Ibid

⁵ Chowdhury, M. (2007). Overcoming entrepreneurship development constraints: the case of Bangladesh. *Journal of Enterprising Communities*, 1(3), 240-251.

they are afraid of sharing control of the company with someone else, Nigerian SMEs' owners are reluctant to give "outsiders" ownership of their companies in order to obtain extra funds through equity financing.⁶

- b. Human Resources Management : This can be viewed as the process of planning, coordinating, leading, and managing hiring, training, remuneration, integration, and upkeep of personnel in order to support organizational objectives. Therefore, if an organization is to endure, grow, and meet future difficulties, its human resource is a critical and strategic resource with unique competence that needs to be managed, sustained, and planned for in its whole.⁷ However, when compared to large organizations, Small and Medium Scale Enterprises do not give human resources management procedures the necessary attention, despite the perception that these practices are crucial to organizational existence.⁸
- c. Regulatory and Legal Framework : Depending on the industry in which they operate, SMEs must adhere to a wide range of legal and regulatory frameworks and criteria. Small business owners are frequently ignorant of the current laws and regulations that apply to their industry. As a result, a lot of effort and money may have been invested, just to have regulatory bodies penalize them for not meeting their criteria.
- d. Social infrastructure and business support services: Another factor that affects the success of SMEs is infrastructure. The infrastructure that is necessary for efficient operation—such as transportation, energy, water supply, and communication networks—is either scarce or not easily accessible. There is also a dearth of essential business support services, such as market research services and company incubators. Because of this, SMEs are forced to offer these fundamental services, which raises their operational expenses. The combined effect of rigid regulatory and legal frameworks and abandoned infrastructure is the loss of competitiveness of the few local SMEs that remain in the face of lower-priced imports on the one hand, and the mass closure of many more on the other. Nigeria dropped from its 2008 ranking of 120th in the World Bank Ease of Doing Business Index report to 169th in 2015 due to a lack of infrastructure and difficulties with the regulatory and legal framework (World Bank 2017).⁹

The researcher is of the firm view, that some of these challenges being faced by the SMSEs often lead to disputes of varying character and magnitude . There are ways and means to settle these disputes in every civilized society without recourse towards self help and aggression. One of those means is

⁶ Akingunola, R. O (2011). Small and Medium Scale Enterprises and Economic Growth in Nigeria: An Assessment of Financing Options. *Pakistan journal of business and economic review*, 2 (1), 78 -97.

⁷ Inyang, B. J. & Akpama, A. M. (. 2002). Personnel management practice in Nigeria. Calabar: Merb publishers.

⁸ *ibid*

⁹ World Bank (2017). *Doing Business 2017: Equal Opportunity for All*. Washington.

resorting to the provisions of the rule of law as defined through the administration of justice system of the State. The courts are the constitutionally approved bodies that are in most cases universally accepted to adjudicate between disputes that may arise between citizens or between the state or state actors and people in the expected performance of duties and responsibilities, as well as the curtailment of rights or privileges.¹⁰ Litigation has enormous advantages for justice administration in every society. This is funded and controlled publicly and the public is open to its hearings, it has self-enforcing processes, practices and mechanisms; decisions are predicated on the provisions of law as well as the previous decisions, are binding on all parties concerned, and the procedural rules are clearly laid down. However, the challenges of expenses and delays among other challenges experienced in litigation have made access to justice through this platform ineffective and less efficient.

Orojo¹¹ claims that a significant increase in the number of cases in our courts resulted from the difficulties encountered during the economic, social, and political development of the nation. As a result, the litigation process has become progressively more time-consuming, costly, energy-sapping, technical, and unduly onerous. As expenses and inefficiencies rise, the legal system is becoming increasingly inaccessible to common citizens and corporations.

The Companies and Allied Matters Act¹² is the primary law that governs companies in Nigeria, and it contains detailed requirements on corporate governance standards in Nigeria. Other regulations and best practices rules produced by various regulators supplemented its requirements.¹³ The challenges of clear cut guidelines for monitoring compliance and enforcement as well as adequate means of resolving disputes particularly in Small and Medium Scale Enterprises have limited the effectiveness of the protection and promotion of the interest of every stakeholder.¹⁴ It is the continuous search for the resolution of disputes at minimal costs and delay that facilitated the development of the concept known as Alternative Dispute

¹⁰ S. 6 Constitution of the Federal Republic of Nigeria 1999

¹¹ See generally, Orojo J.O & Ajomo M.A (1999), Law and Practice of Arbitration in Nigeria, Lagos, Mbeyi & Associates.

¹² Companies and Allied Matters Act 2020 NO 3

¹⁴ Adewale A, (2013) An evaluation of the limitations of the corporate governance codes in preventing corporate collapse in Nigeria IOSR Journal of Business and Management IOSR JMB Vol7 issue 2 Jan – Feb, 2013 110-118

Resolution mechanisms (ADR) which essentially includes a plethora of mechanisms conceptualized to facilitate disputing parties in achieving a realistic and acceptable solution of disputes in which they are involved without any form of formal judicial or legal proceedings. The premise of ADR is that a nexus should be established between a dispute that has arisen and an intervention process, to definitively determine the most appropriate or suitable remedy for the amicable resolution of the specific dispute through such guided participation of the various stakeholders to the dispute in the interest of every stakeholder¹⁵

There is much evidence of the huge waste of time, waste of energy damage as well as irreparable waste of other valuable resources that making reference rigidly to, the courts in Nigeria can or may have affected litigants, judges, markets, companies and justice¹⁶

2.0 The Resolution of Commercial or Corporate Disputes in Small and Medium Scale Enterprises

Business conflicts and commercial disputes are interchangeable terms. In essence, a commercial disagreement arises when a corporate or commercial transaction ends in an amicable relationship. It can involve disagreements about contracts and supply, as well as employment or other labor-related issues. In general, it refers to any failure in comprehension of any topic pertaining to business or trade. Small and medium-sized businesses in Nigeria contribute to the continued growth and development of the economy by creating jobs and supplying goods and services, especially to those who could be regarded as low income earners¹⁷. Indeed, they form a large base of businessactivities¹⁸. In fact, they account for a sizable portion of corporate activity¹⁹. These SMEs are typically privately held firms with a small number of owners. Occasionally, they are family enterprises, with the bulk of the shares held by one or a small number of people. Ineffective managerial abilities which could also be coupled with deficiency when it comes to putting solid corporate governance principles and rules into

¹⁵ ⁷Idornigie, P.O,(2007) –Overview of ADR in Nigeria, *The International Journal of Arbitration, Mediation and Dispute Management* (2007)73 Arbitration 1

¹⁷ ⁷Rhodes- Vivour A (2016) Commercial Arbitration Law and Practice in Nigeria through Cases , Lexis NexisPublishers

¹⁸ Uchekara CC. (2017) URDO Journal of Business Management Volume 3 Issue 2 February 2017 at Pg 4
¹⁹ Okpara J (2011) Corporate governance and an emerging economy: barrier, issues and implication for firm

Corporate Governance Volume 11 N0 2 PP 184 -199 at 184

practice has already been identified to be a significant shortfall in many SMEs.²⁰ Indeed these disputes when they occur can prove costly. Supply chains for goods and services become broken temporarily or in some cases for long periods or even permanently. The various stakeholders scramble in the midst of uncertainty and even collapse of the business and then the lawyers call for litigation at great cost to the stakeholders²¹ There is much evidence of the huge time damage, money damage, energy damage as well as irreparable damage to other valuable resources that making reference rigidly to, the courts in Nigeria can or may have affected litigants, judges, markets, companies and justice²²

It is based on this Alternative Dispute Resolution offers an opportunity for the business community to resolve disputes through contractual agreements that are more important to the operation of a corporation than to seek justice as established and provided for by statute. Nowadays, Just as from government control to privatization and deregulation appears to be taking place in all facets of life, so does a similar shift from majorly depending on strictly legal rules in the settlement of commercial or contractual disputes involving the use of more flexible Alternative Dispute Resolution (ADR) mechanisms, which, among others, allow the parties to negotiate with each other and seek a common resolution of the subject in dispute²³

3.0 The Philosophy of Alternative Dispute Resolution

While it may not be necessary to assert that all disputes fall under the purview of alternative dispute resolution (ADR) processes, the best and most acceptable way to resolve a particular conflict must be employed in order to achieve what appears to be the parties' overall best interests when all relevant factors are taken into account.²⁴. The philosophy of ADR

²⁰ Ibid

²¹ Eniola AA, (2014) | The role of SME firm performance In Nigeria | *Arabian Journal Of Business Review 2014 Volume 3 Issue 12*

²² Akanbi MM. — Kwara Multi door House : An Idea Whose Time Has Come — Paper delivered on the formal inauguration of the Committee on the proposed Kwara State Multi Door Court House at the High Court of Kwara State on Tuesday, 29 th July, 2008

²³ Durosaro W.O , (2014) -The role of arbitration in international commercial disputes | *International Journal of Humanities, Social Sciences and Education (IJHSSE) Volume 1, Issue 3, March 2014*

²⁴ Idornigie P.O, (2008) _ An Overview of Alternative Dispute Resolution _being paper presented at a workshop on Resolving Political Disputes in A Democratic Setting – The Place of Alternative Dispute Resolution (ADR) , organized by INEC at Musa Yar'Adua Centre , Abuja in December 2008

includes , but is not limited to the following :

1. That a resolution of their differences by negotiated settlement is more favorable to all the parties to the dispute than by litigation. ADR provides an atmosphere in which the parties can jointly as well as unanimously resolve their differences. The saying goes that people (litigants) hardly return from the courts to relate as friends. The processes of ADR involve efforts pursued amicably as well as true in faith to appropriately meet the various needs and competing interests of the parties that are concerned with the dispute and indeed various stakeholders.²⁵
2. Alternative Dispute Resolution procedures preserve or improve relationships in politics, business, and life that could be jeopardized by the adversarial process. Through alternative dispute resolution (ADR), the parties can design a mediation plan that focuses on resolving the issues that led to the lawsuit, mending the relationship, and assuring its sustainability.²⁶
3. Compared to settlements imposed by the courts or other external parties, settlements are more adaptable, participatory, efficient, and long-lasting.²⁷

ADR is a medium in which the participants are assisted to pursue a problem-solving strategy in order to win-win the result by discussing the underlying problems neutrally in order to appreciate what has been posed. Nonetheless, ADR is an interest-based conflict resolution system that aims to protect the rights of any involved party who may be harmed by an insufficient resolution of the conflict.²⁸ The Justice for All, Nigeria²⁹ has been working actively with Multi Door Court Houses and other institutions as well as hubs for alternative

²⁵ Olinyan C.I , (2016) ||Management of commercial and industrial disputes in Nigeria through alternative dispute resolution (ADR) methods Available at SSRN :<https://ssrn.com/abstract/2728970> accessed on Thursday March 16, 2017 at 9:00 am

²⁶ Ibid

²⁷ Fisher T, (2017) ||Law and Economics of Alternative Dispute Resolution|| The Oxford Handbook of Law and Ethics Volume 3 , Public Law and Legal Institutions Francesco Paris (Ed)

²⁸ Blakes S Brownne j, Stuart S (2016) Alternative Dispute Resolution 4th Edition Oxford University Press2016 pg 5

²⁹ The Programme is funded by the United Kingdom's Department for International Development and is Managed by the British Council

dispute resolution in states such as Lagos, Enugu, Kano, Anambra and the FCT to resolve corporate governance related disputes in small and medium-sized companies through ADR³⁰

These are Alternative Dispute Resolution centres connected to the court that help those who are parties resolve disputes through mediation and other ADR types mechanisms such as Arbitration, Early Neutral Evaluation, Negotiation and other processes of that nature. The idea for a Multi-Door Courthouse in order to complement litigation is to completely incorporate alternative dispute resolution into the justice system.³¹

The idea of the Multi-Door Court House dates from 1906, when the American Bar Association held its Annual Conference A paper was presented by Roscoe Pound who later became Dean of Harvard Law School entitled' Current Unhappiness with the Administration of Justice.' The paper discussed approaches to America's sluggish speed of the justice wheel. ' A Harvard professor, Frank E.A Sander, gave a paper at the Roscoe Pound Conference in 1976 entitled Varieties of Dispute Management' in which he called for Multi-Door Court House or dispute Resolution practices and procedures facilitated through Court Connected institutions to be created.³²

The concept guarantees efficient, low costs as well as expeditious settlement of conflicts, and also presupposes that the courts should offer a variety of services that are best suited to the resolution of the dispute to be decided.³³ The concept argues that it is not all criminal and civil matters which were best served by an adversary, court – centered proceedings.

Professor Sander envisaged a large court with several doors or systems for dispute resolution. Cases can be diagnosed and referenced accordingly Cases can be thoroughly evaluated as well as referenced accordingly by means of the most suitable settlement platform. Events

³⁰ Justice for All ,Nigeria (2013} Report on Access to Justice and Economic Development , Published in Monitoring www. British council.org/sites/default/files/2.4_impact_report_sept2013.pdf see also www.j4-nigeria.org

³¹ Obot T.I, (2013) -Multi –door court house concept : Access to justice A paper delivered by Hon Justice Theressa I. Obot at the 2013 Nigerian Bar Association Annual Conference , Tinapa Calabar , Cross River State

³² Adebiyi B.O, (2014) —A comparative critical appraisal of ADR as a strategy for effective dispute resolution in Nigeria and select jurisdictions| being seminar paper presented to the Department of Jurisprudence and International Law , Faculty of Law , University of Ibadan

³³ ibid

and activities could take place within or outside the courthouse and may include litigation but may also include other mechanisms for the resolution of dispute, such as conciliation, mediation and arbitration.³⁴

The Multi-Court House model supports a framework in which public justice users should have convenient access to a wide range of ways to settle conflicts. The definition implies that the courts should engage in playing an active position in helping the disputing parties select what represents a right approach.³⁵

4.0 The Model of the Multi Door Court House in Nigeria

The Judiciary of Lagos State, working with the Negotiation and Conflict Management Group (NCMG)³⁶, blazed the trail with the establishment of the Lagos Multi Door Court House (LMDC). In 2001 as the first Alternative Dispute Resolution centre which is court – connected in Africa. The concept was subsequently replicated in the Abuja judiciary and at present the Multi Door Court House has been developed in the various High Courts of States in at least fifteen states in Nigeria, which have shown some interest in replicating the concept³⁷ Multi – Door Court Houses are court-connected Alternative Dispute Resolution centres that help disputing parties in order to resolve conflicts through mediation and other forms of ADR processes, such as arbitration, early neutral evaluation, and other procedures of this kind. The goal the Multi – Door Courthouse concept is to completely incorporate alternative dispute resolution mechanisms into the framework of the systems of justice delivery so as to complement litigation³⁸

5.0 The Aim and Objectives of the Multi Door Court House³⁹

³⁴ Okpaleke FC, Okegbulu AC, Emele CR ,(2014) — Mitigating risk impact of disputes in real estate business and investments in Lagos : The alternative dispute resolution (ADR) approach| *Covenant Journal of Business and Social Sciences (CJBSS) Vol 6 N0 1 June 2014 pg 20*

³⁵ ibid

³⁶ An NGO founded by Mr. Kehinde Aina , who introduced the Multi – Court Concept in Nigeria

³⁷ Harriman RD (2017)|The Multi door court house concept and justice delivery in Nigeria| Key Note Address at the Inauguration of the Edo Multi Door Court House on Friday 20th January 2017 . The Oyo Multi Door Court House was inaugurated on Tuesday March 20 , 2018 by the Executive Governor of Oyo State

³⁸ Harriman , DR (2017)|The Multi – door court house concept and justice delivery| *Key Note Address at the inauguration of the Edo State Multi door court house January 20, 2017*

³⁹ Harriman , DR (2017)|The Multi – door court house concept and justice delivery| *Key Note Address at the inauguration of the Edo State Multi door court house January 20, 2017*

- a. Applying mediation, conciliation, negotiation, arbitration, early neutral assessment and of every other Alternative Dispute Resolution mechanism for the resolution of disputes that may be referred from time to time by the courts, private individuals, companies, public agencies and bodies for dispute resolution;
- b. Making its programs public by educating and raising public consciousness about its facilities;
- c. Increase access to justice by offering alternate methods to complement dispute resolution;
- d. Provide assistance in the course of the operation of ad hoc mediation or arbitration;
- e. Encouraging parties whose cases have already been referred to court to appear before it to explore alternative dispute resolution options; as well as
- f. Maintain lists of suitably trained persons to serve as mediators, arbitrators or impartial assessors.

A few of the benefits provided by the multi-door courthouse would include win-win settlements, confidentiality, speedy resolution, maintenance of post settlement relationships, as well as general satisfaction with scheme of justice by members of the public⁴⁰ In addition to this the Multi Door Court Houses working with other ADR institutions have been relevant in achieving access to justice by resolving corporate governance disputes particularly through Alternative Dispute Resolution in Small and Medium Scale Enterprises

6.0 Relationship of the Multi Door Court House with the Courts The LMDC law is critical to the discussion on the interface with the courts. This is considering that the LMDC law contains certain features which form the basis for the LMDC/Courts interface. These are provisions with regards to the following:

In addition to section 15(1) & (2) which makes provision for the appointment of judges of ADR, section 16(1)(a)-(i) of provisions of the Lagos Multi Door Court House law sets out the authority of the Lagos State, High Court of Justice, to pursue the cause as well as the course of Alternative Dispute Resolution and to gives effect to the prevailing objectives of the Lagos Multi Door Court house by :

Regulating as well as administering effectively, the cases before the court and issuing directives encouraging the implementation of ADR procedures for the settlement of disputes,

⁴⁰ Ibid

including the obligatory referral of parties to the LMDC to examine settlement if one of the parties to the proceedings is prepared to do so.

It should be stated therefore that a more likely implication of these provisions is that a High Court Judge of Lagos state may encourage and if necessary compel the attendance at the LMDC of parties in a suit when one of the parties has indicated willingness or an inclination towards amicable settlement.

The facilitation of access to justice is further enhanced by Section 3(1) of the LMDC Act which also provides, that a person being the pre-trial judge may, in his or her capacity as a managerial judge, refer to the LMDC appropriate cases for ADR in order to promote a fair and expeditious disposition of these cases. Likewise, a trial judge can refer a matter before him to the LMDC for possible settlement by an order of enrolment. However, there are commentators who believe the court of law can only encourage and not mandate the parties to use any of the available mechanisms of Alternative Dispute Resolution.⁴¹ Another interesting aspect of the LMDC/Courts interface is on the important issue of enforcement of settlements. Section 19 of the LMDC Law makes provision that settlement agreements duly signed as a contract between the parties shall be enforceable, in addition to this, if these arrangements are endorsed by the ADR Judge further, such agreement or contract, It shall be considered to be a decision of the High Court of Lagos State and shall be deemed as being enforceable. In the same way, pursuant to Section 4(1)(b) of the provisions of the LMDC Law, the Settlement Terms as well as the Memorandum of Agreement concluded by other organizations of ADR and deposited with the LMDC could be accepted by the ADR judge and thus become a contracts that possesses the approval of the High Court of Lagos State.

By the provisions of the Lagos Multi Door Court Law particularly with reference to Section 3(1)(8) One of the LMDC's key goals is to facilitate or carry out projects or of such other events, including but not limited to the Settlement Week, which, in the thinking of its Governing Council, would further assist in decongesting the courts and help achieve the aim for which the LMDC was founded.

6.0 The Abuja Multi Door Court House

One year after the founding of the Lagos Multi Door Court, the Abuja Multi –Door Court House

⁴¹ Oke A , Lawal, O (2013) –Resolution of construction disputes by the Lagos multi door court house|| *National Institute of Construction Management and Research (NICMR) Journal of Construction Management Vol 27 pg 5-15 at pg 7*

was established.⁴² Hon. Justice L.H. Gummi, then Federal Capital Territory Chief Judge, explained that the vision behind the center is to create an integrated structure of justice in which each particular dispute can be resolved by a process or mechanism which is best suited for it being resolved⁴³ Abuja Multi Door Court House (AMDC) is a court-connected initiative under the auspices of The Federal Capital Territory High Court⁴⁴. The AMDC was founded on 13 October 2003. The design of the Multi Door Court House is intended to complement conventional concepts of dispute resolution in the courts.⁴⁵ The design of the Multi Door Court House is intended to complement conventional concepts of dispute resolution in the courts.⁴⁶ It is based on the notion of access to justice. As stated in its published Practice Direction, Ensuring access to justice means facilitating the provision for a fair and timely outcome⁴⁷. The Abuja Multi – Door Courthouse has been established to provide that opportunity. The AMDCH jurisdiction includes most civil cases such as contract, commercial cases, employment, banking, machinery, electricity, land / immovable property, family disputes or marital causes (excluding divorce) and some minor criminal cases.⁴⁸ The goal is to deliver improved, price efficient and prompt access to justice that could minimize or eliminate citizens' disappointments to complement the avenues of justice by providing additional doors which could be used to resolve disputes; to create the "managerial judges" concept; as well as designing how best to facilitate resolution among litigants by leveraging on the overwhelming resource of retired judges which can be used by mediation services, arbitration and other ADR mechanisms⁴⁹. On November 19, 2003, the Honourable Chief Judge signed into law the Abuja Multi-Door Court House Practice Directions (AMDC) as the procedural framework for the functioning of the AMDC.⁵⁰ The procedure and workings of the AMDC are guided by the AMDC Practice Directions 2003⁵¹ enacted by the Chief Judge of the FCT in pursuance of the powers

⁴² It came on board formally on October 31, 2003

⁴³ Akeredolu AE (2013) — A comparative appraisal of the practice and procedure of the multi court Houses ,

Ibadan Bar Journal Vol5, NO 5, July 2013 pg 131-159

⁴⁴ Ibid

⁴⁵ Good luck OO (2010) , An Overview of the Modus Operandi of the Multi- Door Court Houses , Alternative Dispute Resolution and Some Contemporary Issues , Essays in Honour of Hon Justice Ibrahim Tanko Mohammed , JSC, Aliyu, I.A ed p259

⁴⁶ Ibid

⁴⁷ ibid

⁴⁸ Abuja Multi Door Court House Practice Direction

⁴⁹ Ibid

⁵⁰ This came into force on November 19 2003

conferred on him by virtue of the provisions of Section 259 of the constitution of 1999⁵¹. Generally speaking, there are no statutory provisions for the operations of the AMDC. The various courts of the FCT have however relied on equivocal provisions alluding to the ADR concept. The different courts of the FCT judiciary are all empowered to promote reconciliation through ADR whether directly or indirectly in their respective constituting laws. Order 17 Rule 1 of the FCT High Court Rule of Civil Procedure 2004 makes well considered provisions for the promotion and adoption of reconciliation and ADR and encouragement of the same applies to court when resolving disputes. S18 of the FCT High Court Law⁵²⁶⁶⁴ provides that the High Court can facilitate reconciliation between the parties by promotion and facilitation of friendly settlement between the parties.

With regular trial experiencing increasing magnitudes of congestion and the constant and unnecessary elongation of time and processes experienced in the administration of justice combined with the high court costs, it seems reasonable and fair to incorporate alternative dispute resolution processes into traditional court systems.⁵³

7.0 Conclusion

The Lagos Multi Door Court House particularly to a large extent and the Abuja Multi Door Court House have been involved in the resolution of corporate governance disputes generally and in particular the resolution of corporate governance disputes in Small and Medium Scale Enterprises (SMSEs) Through the Justice For All Initiative Funded by the British Council The LMDC has partnered with other Institutions that provide ADR Services to facilitate the

⁵¹ S 274 of the Constitution of the Federal Republic of Nigeria 1999(As Amended) also empowers the Chief Judges of the various states to make similar rules

⁵² Cap 510 Laws of the Federation of Nigeria 2004

⁵³ Otuturu GG. (2015), The multi door court house concept; A revolution in alternative dispute resolution|| *The Gravitas Review of Business and Property Law December 2015 Vol 6 NO 4*

⁶⁶⁶ Ibid

resolution of corporate and commercial disputes in SMEs. Examples of such partnerships include collaborations with the Lagos Chamber of Commerce International Arbitration Centre. It is an International ADR Center focused on effective alternative resolution of conflicts in Africa.⁵⁴ This organization, could be instrumental in solving the employee connected corporate and commercial conflicts in SMEs through mediation and other ADR mechanisms⁵⁵. The Justice for All, Nigeria has been actively working with Multi Door Court Houses and other ADR centres in states such as Lagos, Enugu, Kano, Anambra and the Federal Capital Territory for settling conflicts over corporate governance in SMEs through Alternative Dispute Resolution⁵⁶.

Through the ongoing nationwide judicial reforms many states have adopted the Multi – Door house access and the convergence of the Rules of Civil Procedure of the Courts to simplify the Judiciary by following the footsteps of Lagos and replicating its successes in other states and the Federal Capital Territory. However despite this development, the MDCH have not extended their scope of operation to towns and cities outside the various state capitals. This paper recommends that Multi Door Court Houses are set up in the major commercial cities and capitals of the various states in order to bring ADR services to the rural and less developed communities. The NCMG could also consider the provision of mobile platforms and facilities to move MDCHs facilities and facilitators to various commercial centres and locations. Our recommendation is predicated on the prevalence of SMEs in these areas and the need to help resolve corporate and commercial disputes in these areas and particularly because of our findings on the activities of MDCHs in a

⁵⁴ Vision statement of the Centre , www.Laciac.org

⁵⁵ Monitoring Impact| A bi – Annual Publication of the British Council to monitor the impact of its activities pg 4 www.British council.org/sites/default/files/2.4_impact_report_sept2013.pdf

⁵⁶ Ibid

