
Chapter 1

Introduction

The present book deals with multi-party and multi-contract international arbitration in the construction sector. This chapter provides an introduction to the topic. The introduction starts with a brief overview of arbitration, its advantages over litigation and its general inability to deal sufficiently well with multi-party and multi-contract disputes arising in the construction sector (Section 1.1). Then, the scope of this book and its limitations are described, with a brief overview of the existing literature in the field (Section 1.2). The introduction also contains a concise description of the legal sources utilized in this book (Section 1.3). Finally, the structure of the book is outlined (Section 1.4) and its contribution and goals are stated (Section 1.5).

1.1 General background and research problem

Arbitration is the preferred method for resolution of disputes under international commercial transactions, including in the construction sector¹. The perceived advantages of arbitration over litigation include the possibility to choose a neutral forum, to have a neutral tribunal in the constitution of which the parties may participate, the flexibility of the arbitral proceedings due to the lack of formal rigid rules of evidence, and the confidentiality of the arbitration process. Contracting parties also prefer arbitration because of the nature of the arbitral awards, which are binding and not subject to court review on the merits. This, in principle, makes arbitration faster than court proceedings. The direct recognition and enforceability of arbitral awards under the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards (the ‘**New York Convention**’)² is pointed out as a further and probably the most significant advantage of arbitration.

¹Gary Born (2009) *International Commercial Arbitration*, Kluwer Law International, The Hague, pp. 67–70, See also Julian Lew, Loukas Mistelis and Stefan Kröll (2003) *Comparative International Commercial Arbitration*, Kluwer Law International, The Hague, pp. 1–8, Alan Redfern and Martin Hunter with Nigel Blackaby and Constantine Partasides (2004) *Law and Practice of International Commercial Arbitration*, 4th edn, Sweet & Maxwell, London, pp. 22–27.

²Convention on the Recognition and Enforcement of Foreign Arbitral Awards, 10 June 1958, available at http://www.uncitral.org/pdf/english/texts/arbitration/NY-conv/XXII_1_e.pdf (accessed 25 July 2016).

The growing international interdependency of commerce and the globalization of today's business world have led to complex contractual relations, which very often involve more than two parties bound by a multitude of contracts³. The relationships between the contracting parties are often intricate and frequently involve multilateral and divergent interests. As a result, there is a permanent trend for the number of multi-party actions in international commercial arbitration to increase, which is evident from recent statistical reports⁴. The increasing number of multi-party disputes has led to a higher demand for dispute resolution mechanisms capable of handling such disputes, such as joinder or intervention of third parties into pending proceedings and consolidation of parallel arbitrations.

Despite the predominant position of arbitration over litigation, today it is still argued that arbitration is not well equipped to handle a certain category of disputes arising under international business transactions, including in the construction sector⁵. From the perspective of the construction industry, this category comprises multi-party construction disputes and especially those arising under multiple contracts. As His Honour Humphrey Lloyd has pointed out:

Given the complexity of construction work and the prevalence of contractual disputes in certain sections of the industry, it is not clear why multi-party arbitrations are so thin on the

³Nathalie Voser (2009) 'Multi-party Disputes and Joinder of Third Parties', in Albert Jan van den Berg (ed.) *50 Years of the New York Convention, ICCA International Arbitration Conference, ICCA Congress Series No. 14*, Kluwer Law International, Alphen aan den Rijn, p. 343.

⁴In 1998, approximately one-fifth of the cases administered by the ICC International Court of Arbitration involved more than two parties, whereas in 2007 the percentage of multi-party cases reached 31.1%. See Anne Marie Whitesell (2009) 'Multiparty Arbitration: The ICC International Court of Arbitration Perspective', in the Permanent Court of Arbitration (ed.) *Multiple Party Actions in International Arbitration*, Oxford University Press, New York, NY, p. 203. For a more recent statistical analysis about the ICC cases, see '2014 ICC Dispute Resolution Statistics', in *1 ICC Dispute Resolution Bulletin*, no.1 (2015), p. 8, where it has been stated that one-third of the total number of filings in 2014 comprised multi-party cases. Similar information has been disclosed in an earlier ICC report: see '2012 Statistical Report', in *24 ICC International Court of Arbitration Bulletin*, no.1 (2013), p. 10. A statistical analysis of all the disputes brought before the Swiss Federal Supreme Court revealed that the percentage of multi-party arbitration disputes grew from 25% in the early 1990s to 40% in 2005. See Felix Dasser, 'International Arbitration and Setting Aside Proceedings in Switzerland: A Statistical Analysis', in *25 ASA Bulletin*, no.3 (2007), pp. 462–463. In 2002, more than 50% of the London Court of International Arbitration cases were multi-party proceedings. See Martin Platte, 'When Should an Arbitrator Join Cases?' in *18 International Arbitration* no.1 (2002), pp. 71–75. See also Ruth Stackpool-Moore (2014) 'Joinder and Consolidation – Examining Best Practice in the Swiss, HKIAC and ICC Rules', in Nathalie Voser (ed.) *10 Years of the Swiss Rules of International Arbitration*, ASA Special Series No. 44, JurisNet LLC, New York, NY, p. 16, where the author has stated that more than one third of the new cases filed under the 2013 arbitration rules of the Hong Kong International Arbitration Centre involve multiple parties or multiple contracts.

⁵Nathalie Voser (2009) 'Multi-party Disputes and Joinder of Third Parties', in Albert Jan van den Berg (ed.) *50 Years of the New York Convention, ICCA International Arbitration Conference, ICCA Congress Series No. 14*, Kluwer Law International, Alphen aan den Rijn, p. 343. See also Kristina Maria Siig, 'Multi-party Arbitration in International Trade: Problems and Solutions', in *1 International Journal of Liability and Scientific Enquiry*, no. 1/2 (2007), p. 72, Richard Garnett, Henry Gabriel and Jeff Waincymer (2002) *A Practical Guide to International Commercial Arbitration*, Oceana Publications, New York, NY; Alan Redfern and Martin Hunter with Nigel Blackaby and Constantine Partasides (2004) *Law and Practice of International Commercial Arbitration*, 4th edn, Sweet & Maxwell, London, p. 200, and Clive Hardy, 'Multi-Party Arbitration: Exceptional Problems Need Exceptional Solutions', in *66 Arbitration: The Journal of the Chartered Institute of Arbitrators*, no.1 (2000), p. 15.

ground, whereas the courts are full of actions involving many parties bound by contracts incorporating arbitration clauses⁶.

This observation was made in 1991 but it still concerns a question of interest, which remains unsettled. Unlike judges in national courts, who usually have the power to review multi-party disputes by way of ordering consolidation of parallel proceedings or joinder of third parties in existing litigation on the basis of statutory provisions contained in civil procedure codes, arbitral institutions and tribunals do not have similar powers, mainly because of the consensual nature upon which their jurisdiction is based.

The attempts of the international arbitration community to provide for solutions for satisfactory resolution of multi-party disputes have resulted in the revision of the major sets of arbitration rules in recent years and also in the introduction of multi-party arbitration provisions in the national arbitration laws of some states. The present book examines the legal regulation in these rules and laws to identify whether this regulation provides for workable solutions that contracting parties in the construction industry may readily utilize. As it will be seen, a workable solution, in the author's opinion, is a solution that provides for a self-contained mechanism of resolution of multi-party and multi-contract disputes – a solution that can be put into operation upon the request of a contracting party without the need to obtain the explicit *ad hoc* consent of the other parties. Such *ad hoc* consent can hardly be obtained once the parties have entered into the contentious stage of their contractual relations. At the same time, a workable solution should necessarily result in an arbitral award that is capable of being recognized and enforced internationally without any difficulties.

In addition to the legal regime contained in the arbitration rules and laws, the author analyses the contractual regulation of multi-party arbitration in order to ascertain whether a workable solution can be found in parties' contracts. At a contractual level, however, relatively few international standard forms have dealt with this type of arbitration. The FIDIC Conditions of Contracts⁷ and the NEC³⁸, which are probably the most popular and widely used international standard forms, do not contain standard provisions dealing with multi-party arbitrations. Furthermore, *ad hoc* multi-party arbitration clauses are rarely met. Therefore, there is still a gap related to the lack of multi-party arbitration provisions in the contracts that the parties conclude. The present book aims, *inter alia*, to address this gap. It will analyse the available contractual provisions on multi-party arbitration, which are mostly contained in domestic standard forms, and provide some suggestions as to how this gap can be overcome.

On the basis of the analysis of the current regulation of multi-party disputes, as contained in the parties' contracts and the applicable arbitration rules and laws, the book provides some practical suggestions as to how the current regulation can be improved in order to meet the increasing demands of the business community for workable multi-party arbitration solutions.

⁶Humphrey Lloyd (1991) 'A National Experience', in P. Bellet, P. Bernardini, G. Bernini *et al.* (eds) *Multi-Party Arbitration: Views from International Arbitration Specialists*, Publication No. 480/1, ICC Publishing SA, Paris, p. 63.

⁷FIDIC is the French acronym of the International Federation of Consulting Engineers (www.fidic.org, accessed 25 July 2016) and the FIDIC Conditions of Contracts are a suite of contracts drafted by FIDIC. For further details about these contracts, please see Subsection 3.2.1 of this book.

⁸The original version of the NEC3 suite of contracts was launched in 2005, and it was drafted by the Institution of Civil Engineers in London. These standard forms were amended in 2006 and in 2013. For more details about NEC3, please see www.neccontract.com (accessed 25 July 2016) and Subsection 3.2.2 of this book.

1.2 Scope of the book, limitations and literature review

1.2.1 Scope of the book

As the title of the book suggests, it deals with arbitration of construction disputes that involve multiple parties and arise under two or more contracts⁹. More particularly, the book deals with those construction disputes that are multi-party and multi-contract at the same time, for example related disputes involving an employer, a main contractor and a subcontractor arising under a main contract and a subcontract.

The focus of this book is on construction arbitration for several reasons. These reasons have been described in more detail in Section 3.1 but will be briefly reiterated here. First, even though the construction industry does not have a monopoly over multi-party and multi-contract disputes and the problems pertaining thereto, the frequency of such disputes in the construction sector is generally greater than in other commercial sectors¹⁰. This is due to the multitude of parties and contracts involved in large construction projects. Therefore, construction disputes are very illustrative of the type of issues arising in multi-party and multi-contract arbitrations. Furthermore, construction projects have their own specifics, which deserve a separate analysis. Due to the long-term nature of many construction projects, there is a necessity for a prompt resolution of construction disputes while works are still under way. This has led to the emergence of multi-tier dispute resolution clauses in construction agreements, which add a further level of complexity to multi-party arbitration problems. In addition, there is a proliferation of standard form agreements in the construction industry. Some of these contracts, mostly domestic forms, contain multi-party arbitration provisions and have from time to time been subject to arbitral proceedings or litigated before local courts. Therefore, the provisions contained in these contracts, together with the case law pertaining to them, represent fruitful ground for specific sector-oriented research in construction arbitration.

1.2.2 Limitations

The present book deals with construction disputes that are both multi-party and multi-contract. Therefore, multi-party arbitral proceedings arising under a single contract (e.g. a consortium agreement) or those arising under several agreements executed between the same two parties (e.g. multiple main contracts between an employer and the same main contractor executed in relation to different construction projects) are outside the scope of this book. Furthermore, it is not the intention of this book to explore the notion of extension of an arbitration agreement to non-signatories, which has been subject to an extensive

⁹Strictly speaking, the use of the word *multiple* in respect of contracts may be understood as denoting *more* than two contracts. However, in international commercial arbitration it is commonly accepted that arbitrations arising under *two or more* contracts can be classified as multi-contract arbitrations. Therefore, for the purposes of this book, the existence of two contracts will be sufficient to categorize the disputes arising thereunder as multi-contract disputes or certain arbitration based on these disputes as multi-contract arbitration.

¹⁰John Marrin (2009) 'Multiparty Arbitration in the Construction Industry', in the Permanent Court of Arbitration (ed.) *Multiple Party Actions in International Arbitration*, Oxford University Press, New York, NY, pp. 398–399.

debate in recent years¹¹. This notion has been invoked with regard to situations that are principally different from those discussed here. Unlike multi-contract arbitrations, which in most cases imply the existence of two or more arbitration agreements contained in several contracts, the notion of extension of the arbitration agreement to non-signatories presupposes the existence of one arbitration agreement only, which is *extended* to a third party or non-signatory on the basis of some of the theories employed to justify this notion¹².

Another limitation stems from the type of arbitration discussed here. The focus of the book is on international commercial arbitration. Some states have adopted a dual approach to commercial arbitration – they distinguish between domestic and international commercial arbitration in their statutes. This book mostly considers arbitration laws governing international commercial arbitration. However, on some occasions domestic arbitration statutes have also been considered because of their peculiar approach to multi-party arbitration. Other types of arbitration, which are not mentioned above, such as multi-party investor-state arbitration, mass claims and class-wide arbitration, are also outside the scope of the book. Contractual adjudication and other dispute resolution techniques, such as expert determination, are also not within the main focus of the book. However, the book occasionally touches upon the topic of construction adjudication¹³. This is necessary because of the direct relevance of adjudication to the conduct of multi-party arbitrations in some cases.

This book deals with multi-party arbitration in the strict sense of the term: arbitration where each of the multiple parties participates as a formal party in a proceeding that may result in a single arbitral award binding all parties. Therefore, related legal institutes, such as concurrent hearing of disputes and *name borrowing*, which are mainly known in common law countries, are also outside the scope of the book.

1.2.3 Literature review

Multi-party arbitration is not a new topic. Some of the first publications in the field are from the early 1920s¹⁴. Since then multi-party arbitration has been discussed extensively

¹¹See, for example, Bernard Hanotiau (2005) *Complex Arbitrations: Multiparty, Multicontract, Multi-issue and Class Actions*, Kluwer Law International, The Hague. See also Pierre Mayer (2009) 'Extension of the Arbitration Clause to Non-signatories under French Law', in the Permanent Court of Arbitration (ed.) *Multiple Party Actions in International Arbitration*, Oxford University Press, New York, NY, pp. 189–199, and William Park (2009) 'Non-signatories and International Contracts: An Arbitrator's Dilemma', in the Permanent Court of Arbitration (ed.) *Multiple Party Actions in International Arbitration*, Oxford University Press, New York, NY, pp. 3–31.

¹²These theories include, *inter alia*, consent on the basis of conduct, the *group of companies doctrine*, the doctrine of *piercing the corporate veil*, representation and agency, assignment, etc.

¹³See, for example, Section 6.5 and Subsection 7.3.3.3 of this book.

¹⁴The International Council for Commercial Arbitration (ICCA) dealt with the topic of multi-party arbitration at the Warsaw Conference of 1980, a full report of which was published (see Polish Chamber of Foreign Trade (1982) *International Arbitration in Multi-Party Disputes, Materials of an International Symposium Warsaw June 29th – July 2nd 1980*, Wydawnictwo Prawnicze, Warsaw). See also Cornelis Voskuil and John Wade (eds) (1985) *Hague-Zagreb Essays 5 on the Law of International Trade, Reservation of Title, Multiparty Arbitration*, Martinus Nijhoff, The Hague.

in the legal literature in the form of several books¹⁵ and numerous articles. Most of these legal sources have been quoted throughout this book on several occasions. The contributions in the field mostly focus on multi-party arbitration from a general perspective. Because of their broad scope, they fail to consider in sufficient detail and precision the problems arising in the construction sector. These contributions discuss issues such as the advantage of having multi-party arbitration in general, the general obstacles that such arbitration may cause and the extension of arbitration agreements to non-signatories.

The present book aims at addressing an existing gap in the legal literature. As far as the author is aware, there is no book written with a specific focus on multi-party and multi-contract arbitration problems arising in the international construction industry. The only contributions in the field are in the form of few articles. The author has found two of these articles especially stimulating. The first article was written by His Honour Humphrey Lloyd in 1991¹⁶. It is an excellent thought-provoking article. It briefly considers the interests of the different parties in the construction industry and poses a list of matters that should be considered by those drafting multi-party arbitration clauses. However, some of the content of this article is outdated because of some new developments in the field. The second article was published by John Marrin in 2009¹⁷. It is a very useful article, which provides a concise overview of the regulation of multi-party arbitration in the construction sector but does not go into detail about each of the reviewed levels of regulation due to the natural volume constraints stemming from the form of the contribution. Both articles recognize that further work is necessary in the field, especially with a view to the lack of contractual solutions to multi-party arbitration¹⁸.

1.3 Sources used

Unlike research in domestic fields of law, where the available sources are more or less limited to those existing in the specific country, research in international commercial arbitration requires the use of a unique blend of legal sources, which are mutually intertwined¹⁹. The diversity of legal sources available in commercial arbitration is one of its specific features. Some of these sources are national (e.g. arbitration laws, case law)

¹⁵See, for example, Bernard Hanotiau (2005) *Complex Arbitrations: Multiparty, Multicontract, Multi-Issue and Class Actions*, Kluwer Law International, The Hague, and the Permanent Court of Arbitration (ed.) (2009) *Multiple Party Actions in International Arbitration*, Oxford University Press, New York, NY.

¹⁶Humphrey Lloyd (1991) 'A National Experience', in P. Bellet, P. Bernardini, G. Bernini *et al.* (eds) *Multi-Party Arbitration: Views from International Arbitration Specialists*, Publication No. 480/1, ICC Publishing SA, Paris, pp. 61–79.

¹⁷John Marrin (2009) 'Multiparty Arbitration in the Construction Industry', in the Permanent Court of Arbitration (ed.) *Multiple Party Actions in International Arbitration*, Oxford University Press, New York, NY, pp. 395–425.

¹⁸*Ibid.*, p. 412. See also Humphrey Lloyd (1991) 'A National Experience', in P. Bellet, P. Bernardini, G. Bernini *et al.* (eds) *Multi-Party Arbitration: Views from International Arbitration Specialists*, Publication No. 480/1, ICC Publishing SA, Paris, pp. 63, 74.

¹⁹S. Strong (2009) *Research and Practice in International Commercial Arbitration. Sources and Strategies*, Oxford University Press, New York, NY, pp. 1–2 (para. 1.01), 12 (paras 2.11–2.12).

and others are international in their nature (e.g. international conventions). Furthermore, we can also speak of 'anational' or transnational sources, such as standard form contracts and arbitration rules²⁰. Standard form agreements may be applied in different jurisdictions. Moreover, they can be subject to different governing laws. This is a consequence of the widely recognized principle of freedom of contract. Arbitration rules are published by arbitral institutions and other non-state bodies. They are detached from the peculiarities of any national legal system and may be applied to disputes irrespective of the governing law of the underlying contracts and the seat of arbitration. Some of the legal sources in international commercial arbitration are created by states (e.g. arbitration laws, case law) whereas others are drafted by private parties or institutions (e.g. arbitration agreements, arbitral awards, arbitration rules, or guidelines).

Regulation of multi-party arbitration can be found in three main types of legal sources. These sources can also serve as legal bases for the conduct of multi-party arbitrations²¹. These include the arbitration agreements contained in the parties' contracts, the arbitration rules referred to in these agreements, and the arbitration laws of the seat of arbitration (*lex arbitri*). All of these primary legal sources have been examined because they have direct relevance to the conduct of multi-party arbitration.

As regards the first legal source, the arbitration agreements, the focus of the book is on both standard and *ad hoc* clauses contained in international construction agreements. Even though domestic construction agreements are in principle outside the scope of this book, some standard clauses in domestic forms addressing multi-party arbitration have also been examined. They can serve as a useful source of inspiration for the finding of contractual solutions on an international level. Most of these domestic forms originate from England or the United States.

As regards arbitration rules, the focus is on the rules published by the most prominent arbitral institutions not only in Europe but also worldwide²². The main criterion for the selection of these rules is their frequent application to construction disputes. Sometimes arbitration rules drafted for use in specific commercial sectors are published by entities, mostly private organizations, which are not arbitral institutions²³. Some of these rules are also considered in this book to the extent they contain regulation of multi-party and multi-contract disputes in the construction sector.

The choice of a certain seat of arbitration will generally trigger the application of the arbitration law of that state (*lex arbitri*). Most states do not regulate multi-party arbitration in their legislation. Therefore, the rationale for the choice of the reviewed arbitration laws differ from the one adopted with regard to the arbitration rules. The emphasis is not

²⁰ Ibid.

²¹ Kristina Maria Siig, 'Multi-party Arbitration in International Trade: Problems and Solutions', in *1 International Journal of Liability and Scientific Enquiry*, no. 1/2 (2007), pp. 77–78.

²² These include the ICC International Court of Arbitration with the International Chamber of Commerce in Paris, France, the LCIA in London, the Swiss Chambers' Arbitration Institution, the International Centre for Dispute Resolution, the Arbitration Institute of the Stockholm Chamber of Commerce, some other nascent arbitral institutions in Asia and so forth.

²³ Examples of this type of rules are the ICE Arbitration Procedure, published by the Institution of Civil Engineers, and the Construction Industry Model Arbitration Rules (CIMAR) drafted by the Society of Construction Arbitrators.

on the arbitration laws of the states that are the most preferred seats of arbitration but on the laws of the states that have addressed multi-party arbitration in their statutes. The UNCITRAL Model Law on International Commercial Arbitration (the '**UNCITRAL Model Law**')²⁴ has also been taken into account. Even though this law is not binding in itself, it has been incorporated as arbitration law governing international commercial arbitration in many states.

National arbitration laws are of relevance not only because of the multi-party arbitration solutions they may contain. These laws will also come into play at the post-award stage if a setting aside of the award is requested or if the prevailing party tries to enforce the award. If the recognition or enforcement of the award is sought in third countries, certain international instruments, such as the New York Convention, may also apply. Therefore, the provisions of these instruments are also taken into consideration.

Apart from the legal sources described above, certain other sources have been used. Case law on multi-party arbitration has been examined, particularly in England and the United States, which are major contributors not only of domestic standard forms containing multi-party arbitration clauses but also of court decisions interpreting these clauses. The case law represents a persuasive source of authority because it sheds some light on various issues, such as the authority of courts to order consolidation in cases where parties' contracts are silent on the matter and the application of multi-party arbitration clauses contained in parties' contracts. Even though this case law may not be considered as a formal source of law outside the country where it has its origin, a judge or an arbitrator who is faced with a new controversial issue or is not certain as to how to approach a certain problem or to deal with a certain argument may want to consider this foreign case law if it deals with the same issue, problem or argument²⁵. Moreover, case law from countries, which are considered as leaders in international commercial arbitration due to their longstanding expertise in the field, such as England, can be considered as a highly persuasive source of authority regardless of the place where arbitration takes place²⁶. The same holds true about arbitral awards issued by arbitral tribunals acting under the auspices of reputable arbitral institutions. Even though arbitral awards are in principle not publicly available, certain arbitral institutions, such as, for example, the ICC International Court of Arbitration and the Swiss Chambers' Arbitration Institution, publish excerpts of some arbitral awards in their bulletins. Furthermore, certain awards or other information concerning the conduct of the proceedings have come within the public domain in other ways, for example, in the stage of enforcement of an award or in cases of statutory court-ordered consolidation of arbitrations.

Besides the abovementioned relevance of case law and arbitral awards, these two sources may be useful in other ways. In many cases, case law and arbitral awards deal

²⁴UNCITRAL Model Law on International Commercial Arbitration, 1985, as amended in 2006, http://www.uncitral.org/pdf/english/texts/arbitration/ml-arb/07-86998_Ebook.pdf (accessed 25 July 2016).

²⁵See Jan Smits (2006) 'Comparative Law and its Influence on National Legal Systems', in Mathias Reimann and Reinhard Zimmermann (eds) *The Oxford Handbook of Comparative Law*, Oxford University Press, Oxford, pp. 520, 525, 531–532.

²⁶S. Strong (2009) *Research and Practice in International Commercial Arbitration. Sources and Strategies*, Oxford University Press, New York, NY, pp. 27–28 (paras 2.52–2.53), 85 (para 5.23).

with the question of how certain legal rules should be applied, for example how a certain multi-party arbitration clause should be construed and applied in practice, whether the preconditions for the application of this clause have been fulfilled and so forth. These sources are therefore particularly useful for those drafting multi-party arbitration clauses. They show the draftsman the pitfalls that he should try to avoid and may give him some ideas as to how to approach a certain matter.

Secondary legal sources have been used extensively in this book. These include treatises and articles on multi-party and multi-contract arbitration. Some soft law instruments have also been considered²⁷. Even though these instruments are not binding, they can be indicative, for instance, of how an arbitrator may approach a request for multi-party arbitration or how a multi-party arbitration clause can be drafted. Statistical information provided by arbitral institutions has also been used on certain occasions.

1.4 Structure of the book

The book aims at dealing with multi-party arbitration from the perspective of the construction industry and it addresses some substantive and procedural legal problems in relation to this type of arbitration. In order to enable a better understanding of the problems described in the book, the latter begins with two introductory chapters. First, Chapter 2 provides a concise introduction to the topic of multi-party arbitration in general. The chapter deals with some terminology clarifications, explains how multi-party arbitration takes place in practice, and reveals the advantages and obstacles to the conduct of multi-party arbitrations. Chapter 3 focuses on the divergent economic interests pursued by the different stakeholders in construction projects on the basis of the different contractual models used in these projects. Chapter 4 scrutinizes the available solutions to multi-party arbitration problems in the arbitration rules most often applied in construction disputes. Chapter 5 deals with the approaches to multi-party arbitration problems available in the arbitration laws or case law of some states. Chapter 6 focuses on some contractual multi-party arbitration clauses. More particularly, this chapter investigates the approach of some of the most popular international standard form construction agreements to multi-party arbitration. In addition, the chapter discusses some popular domestic standard forms available in England, the United States and Denmark, which specifically address the matter. Chapter 7 reveals the author's ideas of how the current legal framework of multi-party arbitration can be improved in order to accommodate in a better way the type of construction disputes examined in the book. The final Chapter 8 summarizes the main observations and proposals made throughout the book.

²⁷Some of the soft law instruments considered comprise the IBA Guidelines for Drafting International Arbitration Clauses, published by the International Bar Association, and Practice Guideline 15: Guidelines for Arbitrators on how to approach issues relating to Multi-Party Arbitrations, published by the Chartered Institute of Arbitrators (CIArb).

1.5 Aims and contribution of the book

The aims of the book are manifold. First, it aims to increase the awareness of the different stakeholders in the construction industry of the need for multi-party and multi-contract arbitration in the construction sector. As described in Chapter 3, there are often occasions where it can be beneficial for the parties to resolve their disputes in a multi-party context. Contracting parties in the construction industry should be aware of the solutions currently available and should ascertain whether these solutions respond to their needs. Secondly, the book aims to show these parties how to address the problem of multi-party arbitration in their contracts. Thirdly, the book aims to inform readers of the attempts undertaken by legislators, arbitral institutions and drafters of standard form agreements to handle multi-party arbitrations.

The book aims to be the first published monograph focusing on multi-party and multi-contract arbitration in the international construction sector. The present book also addresses the gap concerning the lack of contractual self-contained multi-party arbitration clauses by providing some guidelines for drafting of such clauses. Thus, the author's ideas in the book will not only contribute to the theoretical knowledge in the field of multi-party arbitration but will also be of practical value for scholars, practitioners and contracting parties. Furthermore, the book may provide incentives for draftsmen of standard form agreements to implement standardized solutions on multi-party arbitration issues in the near future.

The book may also be particularly useful for arbitrators who have to conduct multi-party arbitrations in the construction sector. These arbitrators will often face jurisdictional objections to the conduct of multi-party proceedings raised by a party not willing to participate in these proceedings. The content of the book can be useful for arbitrators when they have to take a decision on these jurisdictional objections. Furthermore, the book contains a detailed analysis on the interpretation of multi-party arbitration clauses contained in both standard form and some *ad hoc* contracts, and thus could facilitate arbitrators when dealing with contracts containing identical or similar clauses.

Likewise, the book might also be beneficial to judges when they are dealing with motions for setting aside, non-recognition or non-enforcement of arbitral awards rendered in a multi-polar setting, as the book contains an analysis of all grounds upon the occurrence of which such motions may be granted.

Finally, the book also proposes certain changes to the regulation of multi-party arbitration on the level of institutional arbitration rules. This book may therefore also serve arbitral institutions in their attempts to accommodate multi-party disputes arising under multiple contracts in a better way.