Recent Study Supports CPR’s Screened Selection Process for Arbitrators

Study shows that “blind appointments” could be used to overcome the problem of biased arbitrators

New York, NY (December 15, 2016) – A recent study, entitled Affiliation Bias in Arbitration: An Experimental Approach published in August by the University of Arizona's James E. Rogers College of Law, supports the need for a screened selection process for party-appointed arbitrators, a procedure that is unique to the arbitration rules of the International Institute for Conflict Resolution & Prevention (“CPR”) and for which CPR won a Global Arbitration Review Award for Innovation in 2016.

More than 250 arbitrators from around the world were presented with hypothetical scenarios in the study, authored by Sergio Puig, an associate professor at the University of Arizona's James E. Rogers College of Law & Anton Strezhnev, a Ph.D. candidate at Harvard University's Department of Government. The participants were randomly told they had been appointed in the hypothetical instance by one of the parties, by joint agreement of the parties, or simply that they had been appointed, without any information about the identity of the appointer.

The authors concluded that "Based on a sample of 266 responses from international arbitrators around the world, we found that arbitrators nominated by one of the two parties tended to make decisions more favorable to that party compared to arbitrators appointed by the opposite party ... Additionally, we found that blind appointees exhibited similar responses to joint party appointees and tended to take positions in the middle of the two party-appointee extremes.”

Unique among arbitration rules, the CPR Rules provide that neither CPR nor the parties shall advise or otherwise provide any information or indication to any arbitrator candidate or appointed arbitrator as to which party selected either of the party-designated arbitrators. CPR acts a “screen,” enabling the parties to appoint the arbitrators without the arbitrators knowing which party appointed which arbitrator.

“CPR’s screened selection process is a unique and innovative procedure that offers a solution to potential arbitrator bias while still preserving the ability of the parties to have their preferred choice sit,” said Noah Hanft, President and CEO of CPR. “It’s an easy and helpful tool in CPR’s continuing quest to enhance the effectiveness and legitimacy of alternative dispute resolution.”

About CPR: CPR is an independent nonprofit organization that, for more than 35 years, has helped global businesses prevent and resolve commercial disputes effectively and efficiently. Our membership consists of top corporations and law firms, academic and government institutions, and leading mediators and arbitrators around the world. CPR is unique as: (1) a thought leader, driving a global dispute resolution culture; (2) a developer of cutting-edge tools and resources, powered by the collective innovation of its membership; and (3) an ADR provider offering innovative, practical arbitration rules, mediation and other dispute resolution procedures, and neutrals worldwide. For more information, please visit www.cpradr.org.