

# Measuring the Mandate

## State Enforceability Index for Mandatory Arbitration of Employment Disputes

Libby Ross '28

Research Advisor: Professor Abu Rizvi

### The Question

If an employee has a mandatory arbitration agreement, how likely are they to be able to challenge that agreement and actually make it to court in different jurisdictions? In short, **how likely are different states to enforce mandatory arbitration agreements?**

### The Background



#### What is mandatory arbitration?

A legal term referring to a clause in a contract that requires the parties to resolve disputes through private arbitration rather than the public court system

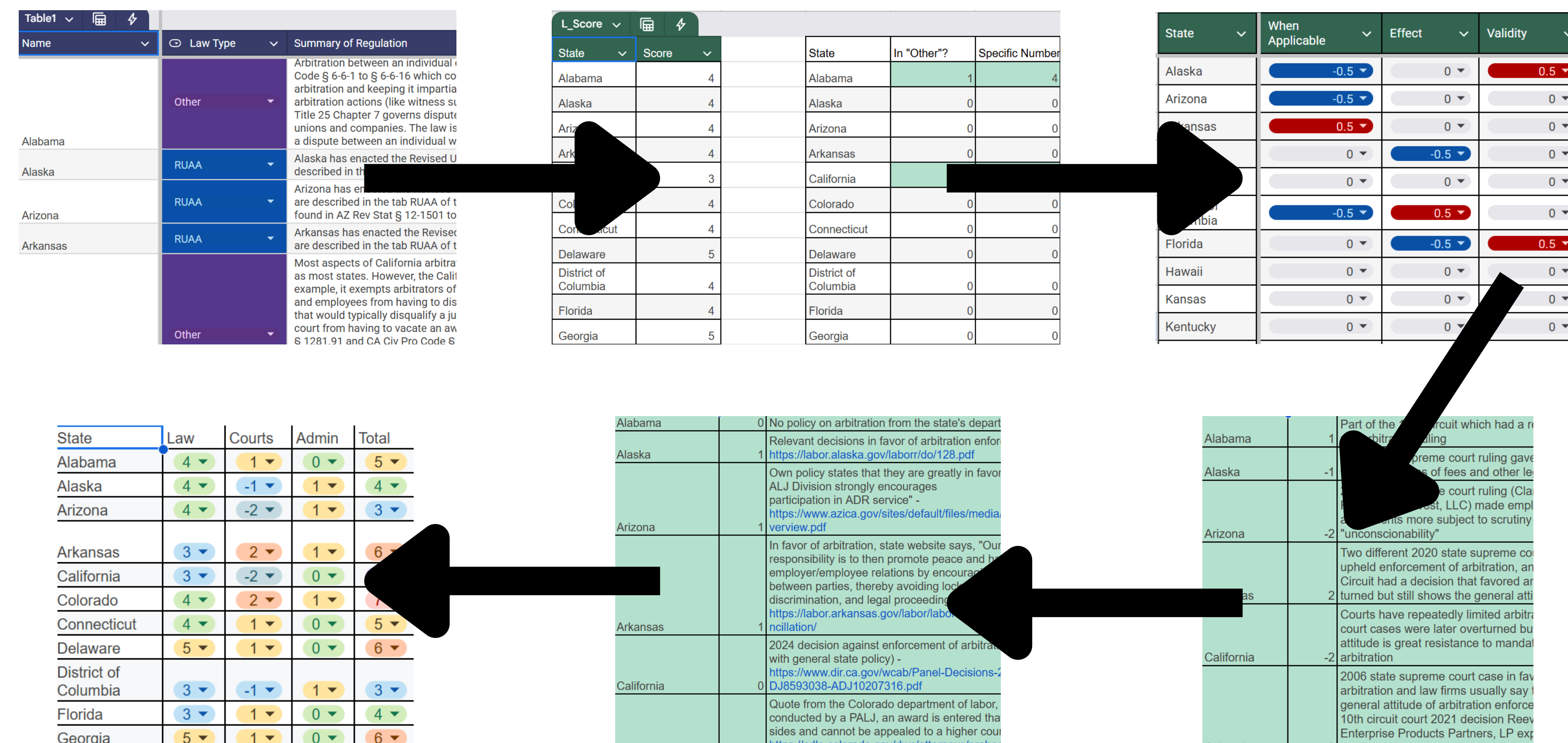
#### Why does this matter?

- Increasing prevalence in workplaces across the country--- **53.9% of workforce has a mandatory arbitration agreement**
- Key relationship to Hirschman's exit, voice, loyalty--- specifically limiting voice options

#### Relevant sources and literature:

- Colvin, Alexander J.S. "The growing use of mandatory arbitration: Access to the courts is now barred for more than 60 million American workers." *Economic Policy Institute*. 2018.
- Garmaise, Mark J. . "Ties that Truly Bind: Noncompetition Agreements, Executive Compensation, and Firm Investment." *Journal of Law, Economics, & Organization* , August 2011, Vol. 27, No. 2 (August 2011), pp. 376-425
- Hirschman, Albert O. *Exit, Voice, and Loyalty: Responses to Decline in Firms, Organizations, and States*. Cambridge, Mass.: Harvard University Press, 1970

### The Methods



### The Final Result

The work resulted in this final index. **“Less enforceable” means it is easier for an employee to challenge a mandatory arbitration agreement and vice versa for “more enforceable” states.** Future research would explore the connection between the enforceability of mandatory arbitration in a state and economic performance indicators such as median household income and job satisfaction.

