The Vanishing Third Party: Dispute Resolution Automation

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This article discusses dispute resolution automation (DRA) and its impact on the justice system and its users. In recent years, there has been an increase in the use of advanced technologies, such as artificial intelligence (AI) and large language models, for managing and resolving disputes. This development is expected to fundamentally alter the characteristics of both legal proceedings and alternative dispute resolution (ADR) processes, which have traditionally relied heavily on human involvement in conflict resolution. The article examines changes in the legal system over the past decades, with a focus on the roots of the DRA phenomenon— the growth and expansion of online dispute resolution (ODR) and developments in the legal tech field. It reviews the history of ADR, the effects of the COVID-19 pandemic on the transition to online procedures, and the evolving role of AI in this domain. Additionally, the article discusses the challenges and opportunities brought by the automation of dispute resolution, including impacts on the efficiency, fairness, and legitimacy of the proceedings and concerns about biases and lack of transparency in algorithm-based decisions. The article concludes with a call for comprehensive theory and research development to understand the implications of automation for the justice system and society as a whole.