

Arbitration:

Arbitration is a legal technique for the resolution of disputes outside the courts, wherein the parties to a dispute refer it to one or more persons (the "arbitrators", "arbiters" or "arbitral tribunal"), by whose decision (the "award") they agree to be bound. Arbitration is a form of binding dispute resolution, equivalent to litigation in the courts, and entirely distinct from the various forms of non-binding dispute resolution, such as mediation and self-negotiation. Arbitration is today most commonly used for the resolution of commercial disputes. It is also used in some countries to resolve other types of disputes, such as labour disputes, consumer disputes or family disputes, and for the resolution of certain disputes between states and between investors and states.

Arbitration has become a widely used means to end some types of disputes, as it avoids the lengthy and costly process of litigation; it does not attempt to maintain relationships between the parties, and its end result can be quite harsh, as in litigation. Unlike litigation, arbitration takes place out of court: the two sides select an impartial third party, known as an arbitrator; agree in advance to comply with the arbitrator's award; and then participate in a hearing at which both sides can present evidence and testimony. The arbitrator's decision is usually final, and courts rarely re-examine it.

A simple **comparison of competing processes** follows:

	Cost	Time	Results	Client Control over Process	Relationship Satisfaction
Court Litigation	high	long	variable	poor	poor
Arbitration	average	average	average	fair	fair
Self-negotiation	average	average	average	good	variable
Mediation	low	short	good	good	good