

Another Day, Another Arbitration Agreement Post

Insights

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We just tackled the issue of arbitration agreements and gig economy employers in a post a few days ago, but the issue was just framed again in a [Dealbook blog post appearing in the New York Times](#). Jessica Silver-Greenberg and Michael Corkery explore the importance that arbitration agreements, especially those including class waiver provisions, hold in the world of gig economy employers. Simply put, emerging start-ups usually do not have the resources to litigate or risk a large-scale class action lawsuit, and they generally don't have time to focus their energies anywhere but on the growth of their business. That's why arbitration agreements are critical for gig companies.

Of course, the Times takes a bit of a different tack here, and approaches the issue from the premise that arbitration agreements "thwart employees from bringing any meaningful legal challenge in court." The blog post comes from the perspective that gig economy companies are trampling on workers' rights by implementing arbitration agreements. They quote a San Francisco plaintiffs' attorney as saying, "they give their young workers Ping-Pong tables and take away their constitutional rights." That's being a little dramatic in my opinion, but that's what you would expect from a civil rights attorney who makes his living bringing suits on behalf of those workers.

It's important for gig economy employers and their counsel to pay attention to these kinds of opinions, however. Just because you don't agree with the perspective doesn't mean you should ignore them. After all, your average worker is probably fairly informed, and many of them will read this or other pieces regarding the current legal situation involving arbitration agreements.

Be prepared to have a discussion with any worker that questions you about the use of arbitration agreements and why you believe they are vital to the growth and success of your organization. Let them know that arbitration still provides a legal forum for them to bring complaints should it come to that, and that you believe that the system is much more efficient and cost-efficient for companies and workers alike. You can point out that your company will pay for arbitration no matter who wins, and if your system includes a process involving mediation, let them know it is designed to resolve issues in a collaborative manner.

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