

# THE CROWD'S WISDOM IN SMART CONTRACT DISPUTE RESOLUTION: IS CROWDSOURCED DISPUTE RESOLUTION ARBITRATION?

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## ABSTRACT

*As applications of blockchain and smart contracts emerge, dispute resolution mechanisms for related disputes have also received heightened attention. Among them, crowdsourced resolution platforms, such as Kleros, Aragon, and Jur.io, featuring the crowd's wisdom and decentralized justice fall under the spotlight. How to legally characterize this emerging dispute resolution thus becomes a controversial topic in international dispute resolution laws.*

*In this paper, I address a fundamental question: Is crowdsourced smart contract dispute resolution arbitration? This question is crucial for the ongoing development of crowdsourced resolution to the extent that it wishes to acquire the sovereign privileges as arbitration enjoys. To answer this question, I revisit the definition of arbitration and mainly focus on the adjudicatory or judicial requirement for arbitration as acknowledged among courts and scholarship. I argue that by introducing the voter incentive design*

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*based on the theory of Schelling Point and failing to offer reasons for the resolution, crowdsourced resolution compromises voter independence and thus fails to meet the minimum adjudicatory or judicial requirement for arbitration. Based on this understanding, I propose that crowdsourced resolution platforms that wish to be characterized as arbitration may consider fixing the above problems by requiring voters to justify their votes. I conclude this paper by highlighting the need for crowdsourced smart contract dispute resolution to adapt to modern arbitration laws.*

**KEYWORDS:** *online dispute resolution, alternative dispute resolution, blockchain dispute resolution, smart contract dispute resolution, crowdsourced dispute resolution, arbitration, adjudication, decentralized justice*