

Justice for citizens and business: quality of justice systems and their economic impact

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Background paper

Independence, quality, and efficiency are the essential elements of an **effective justice system**. They are crucial for upholding the values upon which the EU is founded, for the implementation of EU law, for mutual trust, and for an investment-friendly environment. Whatever the model of the national justice system or the legal tradition in which it is anchored, these components need to be guaranteed. For this reason, any justice reform should comply with EU law, and European standards on rule of law and judicial independence.

The **quality of justice** is also particularly important for citizens' and businesses' trust in justice systems. Although there is no single agreed way of measuring the quality of justice systems, the [EU Justice Scoreboard](#)ⁱ - the European Commission's annual comparative tool on national justice systems, identifies four categories of factors that can help to improve the quality of justice:

- i) **Accessibility of justice** for citizens and businesses (e.g. legal aid, availability of electronic means, online access to judgments);
- ii) **Adequate resources** (e.g. financial and human resources, training);
- iii) **Effective assessment tools** (e.g. monitoring and evaluation of court activities, use of surveys); and
- iv) **Appropriate standards** (e.g. on timeframes, information to parties about their case).

Beyond these four categories of factors ("input indicators"), the assessment of the **quality of results of justice systems** ("output indicators", e.g. quality of judicial decisions, level of satisfaction of court users) is a complex and sensitive question, which has to be addressed with care. The European judicial networks, including the Association of the Councils of State and Supreme Administrative Jurisdictions of the EU (ACA-Europe), have recently started examining the topic of quality of judgments more closely.

The Commission has been supporting projects of **collecting national practices** on further improving the quality of justice systems. Four projects ([Court Quality Framework Design Project](#)ⁱⁱ, [Best practice guide for managing Supreme Courts](#)ⁱⁱⁱ, [Court Management](#)^{iv}, and [Handle with care](#)^v) have examined and gathered practices and indicators used by national Courts, Councils for the Judiciary and Ministries of Justice for measuring and increasing different aspects of quality of justice, such as providing information on justice systems to citizens and businesses, communication strategies, legal aid, use of ICT systems, case and court management, and the publication of judgments.

Different **court users** have different needs and expectations as regards the quality of a justice system. This is why it is important to look at citizens and businesses from a separate perspective, and to further distinguish the specific needs of various groups, including children, and visually/hearing impaired.

Adjusting the justice system to cater to the needs of different court users requires an appropriate allocation of **financial and human resources**, the management of which relies on advanced ICT monitoring and assessment tools. Appropriate training of court professionals is essential for being able to address the specific needs of citizens and businesses.

Besides identifying key elements of quality of justice systems, it is important to explore how the **measurement of their impact on the economy** could be improved. Where justice systems guarantee the enforcement of rights, creditors are more likely to lend, businesses are dissuaded from opportunistic behaviour, transaction costs are reduced and innovative businesses are more likely to invest.

The beneficial impact of well-functioning national justice systems for the economy has already been identified in **a range of literature and research**. A [2017 study](#) by the European Commission's Joint Research Centre ^{vi} identifies correlations between the improvement of court efficiency and the growth rate of the economy, and businesses' perception of judicial independence and the growth in productivity. The importance of the effectiveness of national justice systems for small and medium-sized enterprises has been highlighted in a 2015 survey of almost 9 000 European SMEs on innovation and intellectual property rights (IPR) ^{vii}. The survey revealed in particular that cost and excessive length of judicial proceedings were among the main reasons for not starting court proceedings over infringement of IPR. Other research ^{viii} and studies include those from the [World Bank](#) ^{ix}, the OECD ^x, the International Monetary Fund ^{xi}, the [European Central Bank](#) ^{xii}, and the [World Economic Forum](#) ^{xiii}.

Questions for discussion:

- **How can the quality of justice system be further improved, bearing in mind the needs and expectations of citizens, businesses and the society as a whole? How can the EU support these efforts?**
- **How can measuring the economic impact of high-quality justice systems be improved?**

How to ensure that any reform of the justice system complies with EU law, and European standards on rule of law and judicial independence?

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- ⁱ The 2018 EU Justice Scoreboard, Communication from the Commission to the European Parliament, the Council, the European Central Bank, the European Economic and Social Committee and the Committee of the Regions, COM(2018) 364 final:
https://ec.europa.eu/info/sites/info/files/justice_scoreboard_2018_en.pdf
- ⁱⁱ Handbook on Quality of Justice - Court Quality Framework Design, coordinated by the FR Ministry of Justice, with the collaboration of Courts and Ministries of Justice from FR, EE, PT, IT and SI:
http://www.justice.gouv.fr/art_pix/manuel_cqfd_fr_20170831.pdf (FR) and
https://www.riigikohus.ee/sites/default/files/elfinder/dokumendid/p.5.%20-%20Handbook_CQFD_EN%20_2_.pdf (EN).
- ⁱⁱⁱ Best practice guide for managing Supreme Courts, developed by the Supreme Court of LV, with the collaboration of the Supreme Courts from LT, HU and ES, and the Universities of Antwerp and Ljubljana:
http://at.gov.lv/files/uploads/files/2_Par_Augstako_tiesu/Starptautiska_sadarbiba/BEST%20PRACTICE%20GUIDE.pdf
- ^{iv} Court Management – Old Problems New Solutions for Caseload Management, coordinated by the PT Judicial High Council, with partners in Councils for the Judiciary from BE, ES, LT, PL and SI, and a court from DE: <https://www.csm.org.pt/wp-content/uploads/2018/10/RELAT%C3%93RIO-QUALI-JUST-2015-JACC-AG-QUAL-8517-1.pdf>
- ^v Handle with care: assessing and designing methods for evaluation and development of the quality of justice and selected national practices, coordinated by the IT Istituto di Ricerca sui Sistemi Giudiziari Consiglio Nazionale delle Ricerche (IRSIG-CNR), Bologna, with research partners from University of Debrecen (HU), the University of Limoges (FR), Utrecht University (NL) and the Lappeenranta University of Technology (FI): <https://www.lut.fi/documents/27578/465522/HWC+Final+reports28may18sent.pdf/5db1f5ae-0a03-461f-a187-cf9360955077>
- ^{vi} The judicial system and economic development across EU Member States, Vincenzo Bove and Leandro Elia, JRC Technical Report, EUR 28440 EN, Publications Office of the EU, Luxembourg, 2017:
http://publications.jrc.ec.europa.eu/repository/bitstream/JRC104594/jrc104594_2017_the_judicial_system_and_economic_development_across_eu_member_states.pdf
- ^{vii} EU Intellectual Property Office (EUIPO), Intellectual Property (IP) SME Scoreboard 2016.
- ^{viii} Alves Ribeiro Correia/Antas Videira, 'Troika's Portuguese Ministry of Justice Experiment: An Empirical Study on the Success Story of the Civil Enforcement Actions', in *International Journal for Court Administration*, Vol. 7, No. 1, July 2015 attest the success of reforms drawn in Portugal.
- ^{ix} World Bank, 'Doing Business 2018', p. 34:
<http://www.doingbusiness.org/content/dam/doingBusiness/media/Annual-Reports/English/DB2018-Full-Report.pdf>. World Bank. 'Doing Business 2017': *Equal Opportunity for All*, p. 37:

<http://documents.worldbank.org/curated/en/172361477516970361/pdf/109551-REVISED-PUBLIC.pdf> .
World Bank. 'World Development Report 2017: Governance and the Law, Chapter 3: The role of law'. pp. 83, 140:https://openknowledge.worldbank.org/bitstream/handle/10986/25880/9781464809507_Ch03.pdf?sequence=35&isAllowed=y .

- x See e.g. 'What makes civil justice effective?', *OECD Economics Department Policy Notes*, No. 18 June 2013 and 'The Economics of Civil Justice: New Cross-Country Data and Empirics', *OECD Economics Department Working Papers*, No. 1060. *Government at a Glance 2017*, OECD Publishing, Paris, p. 244:
<http://dx.doi.org/10.1787/22214399>
- xi IMF, 'Fostering Growth in Europe Now', 18 June 2012. See also IMF, Regional Economic Outlook, November 2017, *Europe: Europe Hitting Its Stride*, pp. xviii, 40, and 70:
http://www.elibrary.imf.org/doc/IMF086/24601-9781484319611/24601-9781484319611/Other_formats/Source_PDF/24601-9781484326619.pdf
- xii ECB, 'Adjustment and growth in the euro area', 16 May 2013:
<http://www.ecb.europa.eu/press/key/date/2013/html/sp130516.en.html> . ECB, 'Structural Policies in the Euro Area', ECB Occasional Paper Series No 210:
<https://www.ecb.europa.eu/pub/pdf/scpops/ecb.op210.en.pdf?3db9355b1d1599799aa0e475e5624651>
- xiii World Economic Forum, 'The Global Competitiveness Report; 2013-2014':
http://www3.weforum.org/docs/WEF_GlobalCompetitivenessReport_2013-14.pdf