# COURTS[1]

Simeon Djankov

Rafael La Porta

Florencio Lopez-de-Silanes

Andrei Shleifer

## Abstract

In cooperation with Lex Mundi member law firms in 109 countries, we measure and describe the exact procedures used by litigants and courts to evict a tenant for non-payment of rent and to collect a bounced check. We use these data to construct an index of procedural formalism of dispute resolution for each country. We find that such formalism is systematically greater in civil than in common law countries, and is associated with higher expected duration of judicial proceedings, less consistency, less honesty, less fairness in judicial decisions, and more corruption. These results suggest that legal transplantation may have led to an inefficiently high level of procedural formalism, particularly in developing countries.

# I. Introduction

A fundamental proposition in economics holds that the security of property and the enforcement of contracts are essential for investment, trade, and ultimately economic growth to come about [Montesquieu 1748, Smith 1776]. Many institutions serve to secure property and enforce contracts. Some of them are entirely private, such as reputations and informal discussions among neighbors, and do not rely on the government [Macaulay 1963, Galanter 1981, Ellickson 1991]. Other institutions securing property and enforcing contracts, such as regulators and courts, are governmental. Regulatory agencies restrict private conduct that might adversely influence others, and courts resolve property and contractual disputes.

Economic theory does not tell us which of these mechanisms of securing property and enforcing contracts is the best, and in reality they are all far from perfect. Private security and enforcement, while working well in some environments, often degenerate into violence. Indeed, Smith [1776] saw "a tolerable administration of justice" [Smith 1776] as one of the few proper functions of government, enabling an ordinary citizen to seek justice against richer and more powerful offenders who control private enforcement.[2] Public regulation, likewise, while sometimes effective,[3] is often corrupted and "captured" by the very violators, such as monopolists and pollutants, it needs to restrain [Stigler 1971]. Economists have been generally most optimistic about courts as the institution securing property and enforcing contracts [Coase 1960], and with few exceptions [e.g., Johnson, McMillan, and Woodruff 2002, Bianco, Japelli, and Pagano 2001] have devoted little attention to analyzing their limitations. From the point of

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2 Likewise, commentators on transition from socialism see the reform of the public legal system as an antidote to the violence associated with private enforcement (e.g., Hay and Shleifer 1996, Hay, Shleifer, and Vishny 1998).
3 Glaeser, Johnson, and Shleifer (2001) and Glaeser and Shleifer (2001a,b) describe some circumstances in which regulation is an efficient strategy for securing property rights.

view of evaluating alternative institutional arrangements, however, it is crucial to understand the factors that make courts function more or less effectively.

In this paper, we present an empirical study of the effectiveness of courts as mechanisms of resolving simple disputes in 109 countries. We examine how a plaintiff can use an official court to evict a non-paying tenant and to collect a bounced check. We find that even these simple disputes are resolved extremely slowly by courts in most countries, taking an average of over 200 days. We also find huge variation among countries in the speed and quality of courts.

We try to explain this variation from the perspective of three broad theories. The "development" theory holds that courts, like many other institutions, work better in countries that have richer and more educated populations [Demsetz 1967, North 1981]. According to this theory, there are fixed costs of setting up institutions, which only become socially worth paying once the demand for them – largely driven by the level of economic development – becomes high enough. A poor society may rely on informal dispute resolution; a richer one relies on more complex contracts and needs courts to resolve disputes. Similarly, a better educated population both raises the efficiency of courts (if human capital is an input) and the demand for them.

The "incentive" theory holds that the efficiency of courts is shaped by the incentives of the participants in dispute resolution, including the judges, the lawyers, and the litigants [Messick 1999, Buscaglia and Dakolias 1999]. According to this theory, courts work poorly when the participants have weak or wrong incentives: judges do not care about delays, lawyers are paid to prolong proceedings, defendants seek to avoid judgment. The implication is that factors such as mandatory deadlines for judges, contingency fees for attorneys, and "loser pays" rules improve court performance.

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The third theory – which is more novel and central to this paper – is that performance of courts is determined by how the law regulates their operation, what we call procedural formalism or formalism for short.   The main contribution of this paper is to explain theoretically and to measure empirically the determinants of procedural formalism, as well as to assess its consequences for the quality of dispute resolution in courts.

In a theoretical model of an ideal court, a dispute between two neighbors can be resolved by a third on fairness grounds, with little knowledge or use of law, no lawyers, no written submissions, no procedural constraints on how evidence, witnesses, and arguments are presented, and no appeal [Shapiro 1981]. Yet in reality, all legal systems heavily regulate dispute resolution: they rely on lawyers and professional judges, regiment the steps that the disputants must follow, regulate the collection and presentation of the evidence, insist on legal justification of claims and judges' decisions, give predominance to written submissions, and so on.  Does such formalism matter for the quality of resolution of simple disputes?

To examine these theories, in cooperation with Lex Mundi, the largest international association of law firms, we describe the exact procedures used to resolve two specific disputes in 109 countries. These are the eviction of a residential tenant for non-payment of rent and the collection of a check returned for non-payment.  We describe the cases to a law firm in each country in great detail, and ask for a complete write-up of the legal procedures necessary to dispute these cases in court and the exact articles of the law governing these procedures. We use the responses to construct measures of formalism, defined as the extent to which regulation causes dispute resolution to deviate from the neighbor model.

Research in comparative law and legal history suggests that formalism varies

systematically among legal origins [Berman 1983, Merryman 1985, Damaska 1986, Schlesinger et al. 1988]. In particular, civil law countries generally regulate dispute resolution, including the conduct of the adjudicators, more heavily than do common law countries. Our data provide a striking empirical confirmation of this proposition. Legal origins alone explain around 40 percent of the variation in our measures of formalism among 109 countries. We also find that adjudication is more formalized in the less developed than in the rich countries.

We next turn to the three hypotheses on the determinants of judicial quality. From the participating law firms, we obtain estimates of the expected duration of our specific disputes in calendar days, from the original filing of a complaint to the ultimate enforcement of judgment. In addition, we use assessments of judicial quality from other data sources, covering such areas as enforceability of contracts, access to justice, and corruption, as well as data from the World Business Environment Survey of small firms on the fairness, consistency, honesty, and other aspects of the legal system. We also collect data on per capita income and educational level in each country, as well as several measures of incentives facing judges, attorneys, and litigants.

We find that *ceteris paribus* higher procedural formalism is a strong predictor of longer duration of dispute resolution. Higher formalism also predicts lower enforceability of contracts, higher corruption, as well as lower honesty, consistency, and fairness of the system. These results hold both in ordinary least squares regressions, and in instrumental variable estimates where legal origin is used as an instrument for formalism. The results hold for both eviction and check collection. In our data, there is no evidence that formalism secures justice.

We also find some evidence consistent with the development hypothesis, namely that countries with richer populations have higher quality courts. On the other hand, we find almost

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no evidence that the incentives of the participants in the legal system influence its quality.

Our findings advance the previous research in three distinct ways. First, the paper takes the research on the quantitative measurement of institutions in a new direction: the study of courts. Finding objective measures of institutional structure is sometimes more useful than just focusing on survey assessments of quality, as is often done, because it may point to the specific directions of efficiency-improving reform. Second, with respect to the study of courts, the paper is novel in attributing both their efficiency and their ability to deliver justice to the characteristics of the legal procedure, rather than to general underdevelopment of the country or to poor incentives. Third, the paper links both the lack of efficiency of courts and their inability to deliver justice to the transplantation of legal systems. As such, it supports the hypothesis that transplantation is in part responsible for the structure and quality of the existing institutions.

## II. Theories of Procedural Formalism

According to Shapiro [1981], the essence of an idealized universal court is the resolution of a dispute among two neighbors by a third, guided by common sense and custom. Such resolution does not rely on formal law and does not circumscribe the procedures that the neighbors employ to address their differences. Yet courts everywhere deviate from this ideal. They employ professional judges and lawyers to resolve disputes. They heavily regiment procedures, restricting how claims and counter-claims are presented, how evidence is interpreted, and how various parties communicate with each other. Rather than holding an informal meeting, many courts assemble written records of the proceedings, and allow disputants to appeal the decisions of a judge. Most jurisdictions, in short, heavily regulate their civil

procedures.

The reasons for regulating dispute resolution are similar to those for regulation in general:  the sovereign may wish to control the outcome.  He may wish to punish some conduct to a greater extent than a judge-neighbor would, to establish precedents, or to reduce errors relative to informal adjudication.  He may also wish disputes to be resolved so as to favor himself and his political supporters, or to punish his enemies and  opponents.  Sovereigns may also wish that disputes be resolved in a consistent way across their domains, so as to promote trade or political uniformity.  To achieve these goals, sovereigns regulate the judicial procedure so that "judges are no more than the mouth that pronounces the words of the law, mere passive beings, incapable of moderating either its force or rigour" [Montesquieu [1748] 1984, p. 194].

A further reason to regulate dispute resolution is that informal triad justice is vulnerable to subversion by the powerful.  If one of the two disputants is economically and politically more powerful than the other, he can encourage the supposedly impartial judge to favor him, using either bribes or threats. The other side of this coin is access to justice: the less advantaged members of a society must expect justice rather than abuse from the state or powerful opponents.  As the great German jurist Rudolf von Jhering exclaimed, "form is the sworn enemy of arbitrary rule, the twin sister of liberty" [1898, p. 471].

For these, and possibly other reasons, most jurisdictions in the world heavily formalize legal procedures. Moreover, as legal historians clearly recognize, patterns of such regulation are intimately related to the civil versus common law origin of the country's laws.  These legal families originate in Roman and English law respectively, and were transplanted to many countries through conquest and colonization (by France, Germany and Spain in the case of civil

law, and England in the case of common law). Although legal systems of most countries have evolved since colonial times, key features of legal origin are often preserved through the centuries [La Porta et al. 1998, 1999].

There are different theories of how legal origin has shaped legal procedure in general, and formalism in particular. Hayek [1960] and Merryman [1985] attribute the differences to the ideas of the Enlightenment and the French Revolution. In France, the revolutionaries and Napoleon did not trust the judges, and codified judicial procedures in order to control judicial discretion. According to Schlesinger et al. [1988], in civil law countries "the procedural codes are meant to be essentially all-inclusive statements of judicial powers, remedies, and procedural devices." Consistent with von Jehring's logic, procedural formalism was seen as a guarantee of freedom. In England and the United States, in contrast, lawyers and judges were on the "right" side of the revolutions, and hence the political process accommodated a great deal more judicial independence. In the common law tradition, "a code is supplemental to the unwritten law, and in construing its provisions and filling its gaps, resort must be had to the common law" [Schlesinger et al. 1988]. As a consequence, less formalism is required in the judicial procedure.

Dawson [1960], Berman [1983], Damaska [1986], and Glaeser and Shleifer [2002] argue that the procedural differences between common and civil law actually go back to the 12th and 13th centuries. Glaeser and Shleifer [2002] attribute greater formalism to the need to protect law enforcers from coercion by disputing parties through violence and bribes. This risk of coercion was greater in the less peaceful France than in the more peaceful England, where neighborly dispute resolution by juries (coming closer to Shapiro's ideal) was more feasible. The different approaches to legal procedure – motivated by the different law and order environments of

England and France – were then transplanted through conquest and colonization to most of the rest of the world [Watson 1974, La Porta et al. 1998, Berkowitz et al. 2002].

The fact that most countries in the world inherited significant parts of their legal procedures – often involuntarily – is important for our analysis. At the econometric level, it suggests that legal origin can be used as an instrument for the degree of formalism of the legal procedure. At the substantive level, the nature of transplantation enables us to distinguish two hypotheses. If countries select their legal procedures voluntarily, then one can argue that greater formalism is an efficient adaptation to a weaker law and order environment. If, however, legal procedures are transplanted through colonization, the efficient adaptation model does not apply. Rather, we can attribute the consequences of legal formalism to the exogenously determined features of the legal procedure, and in this way consider the efficiency of alternative rules.

## III. Data

A. Collection Procedures

Our data are derived from questionnaires answered by attorneys at Lex Mundi and Lex Africa member firms. Lex Mundi and Lex Africa are international associations of law firms, which include as their members law firms with offices in 115 countries. Of these 115 countries, Lex Mundi members in six did not accept our invitation to join the project, and these six jurisdictions (Burkina Faso, Cambodia, Nicaragua, Northern Ireland, Scotland, St. Kitts and Nevis) were removed from the sample. We have received and codified data from all the others.

The 109 cooperating law firms received a questionnaire designed by the authors with the advice of practicing attorneys from Argentina, Belgium, Botswana, Colombia, Mexico, and the

United States.  The questionnaire covered the step-by-step evolution of an eviction and a check collection procedure before local courts in the country's largest city.  The focus on these two specific disputes has a number of advantages.  First, they represent typical situations of default on an everyday contract in virtually every country.  The adjudication of such cases illustrates the enforcement of property rights and private contracts in a given legal environment.  Second, the case facts and procedural assumptions could be tailored to make the cases comparable across countries.  Third, the resolution of these cases involves lower level civil trial courts in all countries (unless Alternative Dispute Resolution is used). Because these are the courts whose functioning is most relevant to many of a country's citizens, the focus on the quality of such courts is appropriate in a development context. For more complex disputes, additional issues arise, and it may not be appropriate to generalize our findings. For example, commercial arbitration is available in many countries to large companies, though not to ordinary citizens. Perhaps even more importantly, formalism may be essential for justice in complex disputes even when informality is adequate for the simple cases we consider.[4]

In presenting the cases, we provided the respondent firm with significant detail, including the amount of the claim, the location and main characteristics of the litigants, the presence of city regulations, the nature of the remedy requested by the plaintiff, the merit of the plaintiff's and the defendant's claims, and the social implications of the judicial outcomes.  Furthermore, to understand how courts work, we specified that there is no settlement.  These standardized details

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[4] Using the case of the collection of a bounced check also gets us away from the concern that rules governing the eviction of a non-paying tenant are shaped by socialist sentiment in a country.   The fact that the structures of dispute resolution for eviction and check collection are so similar is inconsistent with the view that socialism drives both.

enabled the respondent law firms to describe the procedures explicitly and in full detail, and allowed us to get around the problem that different procedures arise in different circumstances.[5]

The questionnaires provided to law firms were divided into two parts: (1) description of the procedure of the hypothetical case step by step, and (2) multiple choice questions. The following aspects of the procedure were covered: (1) step by step description of the procedure, (2) estimates of the actual duration at each stage, (3) indication of whether written submissions were required at each stage, (4) indication of specific laws applicable at each stage, (5) indication of mandatory time limits at each stage, (6) indication of the form of the appeal, and (7) the existence of alternative administrative procedures. Multiple-choice questions were used both to collect additional information and to check the answers at the initial stage. In addition, we asked questions about the incentives of judges, attorneys, and the litigants.

At each firm, the answers were prepared by a member of the Litigation Department, and reviewed by a member of the General Corporate and Commercial Department. Two lawyers in each law firm, from different departments, were required to read, approve, and sign the questionnaire. As an additional check, the law firms were required to indicate when a particular law governed the relevant stage of the procedure, and to provide a copy of that law. The answers provided by member law firms were coded using the descriptions of the procedures and answers to multiple-choice questions. In most cases, coding was followed by an additional round of questions to the completing attorneys aimed to clarify the inconsistencies in their answers.

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[5] We have discovered that attorneys in even the largest law firms in most countries are familiar with eviction and check collection procedures, generally because they have worked on such cases for their clients.

B. Measuring Formalism

Comparative law textbooks and manuals of civil procedure point to several areas where the laws of different countries regulate dispute resolution differently. In our choice of the areas of such regulation, we were guided by the 1994 *International Encyclopaedia of Laws-Civil Procedure* published by Kluwer Law International. The Encyclopedia covers 17 countries from different legal origins, and discusses such broad areas of civil procedure as judicial organization, jurisdiction, actions and claims, nature of proceedings, legal costs, evidence, enforcement of judgments, and arbitration. Some of the areas covered in the *Encyclopedia* were not relevant to the simple disputes we considered. Others, such as ADR, are covered briefly in our survey, although we focus on courts. Appendix I presents the relationship between the topics covered in the *Encyclopedia's* volume on Civil Procedure for France and the indices used in this paper.

We focus on seven areas of formalism, and codify the answers provided by Lex Mundi firms from the perspective of the neighbor model. Below, we briefly describe our approach to organizing these data. The exact definitions of the variables are contained in Table I.

The first area covers the required degree of professionalism of the main actors in the judicial process, namely judges and lawyers. This covers three specific areas. First, a basic jurisdictional distinction is between general and specialized courts. For the simple cases we consider, access to specialized courts generally entails procedural simplification aimed at "mass production" (similar to traffic courts in the U.S.). We therefore take the resolution of disputes in specialized courts to be closer to the neighbor model than that in a general jurisdiction court.

Second, we distinguish between judges who have undergone complete professional training, and arbitrators, administrative officers, practicing attorneys, merchants, or any other lay

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persons who may be authorized to hear or decide the case. In some countries (e.g., New Zealand, United Arab Emirates) all disputes between landlords and tenants are resolved by housing tribunals composed of neighbors or by representatives of associations of landlords and tenants. Such non-professional judges are closer to the neighbor model.

Third, in some countries it is mandatory to have an attorney to appear before the judge, while in others it is entirely voluntary or even prohibited. Evidently, the absence of legal representation is closer to the neighbor model. Indeed, in the absence of such representation, the judge frequently assumes the position of a mediator guiding the parties to an agreement.

Using the data provided by law firms, we combine these three pieces of information to construct the "professional versus laymen" index for each of the two disputes for each country.

The second area we consider is the preeminence of written versus oral presentation at each stage of the procedure, including filing, service of process, defendant's opposition, evidence, final arguments, judgment, notification of judgment, and enforcement of judgment. We take oral presentation to be closer to the neighbor model, and aggregate this information for each country and each case into the index of "written versus oral" elements.

The third area is the need for legal justification (meaning reference to the legal reasons and articles of the law) in the complaint and in the judgment, as well as the necessity of basing the judgment in the law as opposed to equity. In many countries, a judgment must be justified by statutory law or settled precedents. In other countries, judgment must still be justified, but in equity rather than in law. In still other countries, judicial decisions require no justification whatsoever. Since the neighbor model presumably does not call for such legal justifications, we aggregate this information into an index of "legal justification."

The fourth area is statutory regulation of evidence. The rules of evidence are sometimes considered to be a key factor in differentiating the overall efficiency of legal procedures among countries [Langbein 1985]. First, in some countries, the judge cannot request evidence not requested by the parties, a restriction on the neighbor model. Second, the judge in some countries cannot refuse to collect or admit evidence requested by the parties, even if the judge feels this evidence is irrelevant to the case. This, too, presents a restriction on the discretion of the judge in the neighbor model. Third, hearsay evidence is not admissible in some countries while, in others, the judge can weigh it. Presumably, the inadmissibility of out-of-court statements is a restriction on judicial freedom in the neighbor model. Fourth, in some jurisdictions, the judge must pre-qualify a question before it is posed to the witness while, in others, parties may ask witnesses questions without such pre-qualification. We take the latter scenario as more compatible with the neighbor model. Fifth, in some jurisdictions, only original documents and certified copies are admissible, a restriction not present in other jurisdictions. Presumably, the neighbor model would not have these restrictions. Sixth, in some countries, authenticity and the weight of evidence are defined by law; in others, they are not. In the neighbor model, we would not expect the evidence to be subjected to rigid rules on admissibility and weight. Seventh, in some countries, but not others, there is mandatory recording of evidence, designed to facilitate the superior authority's control over the judge. We do not take such recording to be consistent with the neighbor model. As before, we aggregate these seven dimensions into the index of "statutory regulation of evidence."

The fifth area of regulation of formalism is the control of the superior review of the first instance judgment. The scope of appellate review determines the level of sovereign control over

the trial court proceedings [Damaska, 1986]. In general, we take the control of a judge by a superior court as inconsistent with the neighbor model, and consider a variety of mechanisms of superior review. First, in some countries, the enforcement of judgment is automatically suspended until the resolution of the appeal, which substantially reduces the importance of the first instance judgment. In others, the suspension of enforcement is either non-automatic, or even not allowed. We take the automatic suspension as being inconsistent with the neighbor model. Second, in some countries, the review and appeal of judicial decisions are comprehensive. In others, more compatibly with the neighbor model, only new evidence or issues of law can be reviewed on appeal, or the judgment cannot be appealed at all. Third, some countries, but not others, allow interlocutory appeals (those of interim judicial decisions), which we take to be incompatible with the neighbor model. We aggregate these three aspects of review into an "index of control of superior review."

The sixth area is engagement formalities that must be observed before a party is legally bound by the court proceedings. In some countries a lawsuit cannot be initiated unless a formal pre-trial conciliation is attempted between the parties. The notification procedures also vary markedly among countries. In some places, the complaint can be notified to the defendant by the plaintiff himself or by his attorney, or simply by mailing a letter. In others, the defendant cannot be held accountable unless he is served the claim by an appointed court officer. Finally, in some countries the judgment is deemed notified to the parties when pronounced in open court; in others it must be personally notified to the parties by a dully appointed court employee. We submit that entirely voluntary pre-trial conciliation and flexible rules of notification of process

and judgment are more compatible with the neighbor model. These three dimensions are aggregated into the index of "engagement formalities."

The seventh area is the count of independent procedural actions involved in pursuing a claim through a court, covering the filing and service of a complaint, trial and judgment, and enforcement. An independent procedural action is defined as every step in the procedure, mandated by the law or by court regulation, which demands interaction between the parties or between them and the judge or court officer, such as filing a motion or attending a hearing. We also count as an independent procedural action every judicial or administrative writ or resolution, such as issuing judgment or entering a writ of execution, which is legally required to advance the proceedings until the enforcement of judgement. Actions are always assumed to be simultaneous if possible, so procedural events that may be fulfilled in the same day and place are only counted as one action.[6] In the idealized neighbor model, there would be only three procedural actions: (1) a claimant would request the judge's intervention, (2) the judge and the claimant would together meet the defendant and the judge would issue a decision following a discussion, and (3) the judgment would be enforced. As the evidence below shows, in some countries, checks can be collected and tenants evicted in just 8 or 9 steps, while in others it takes 40 to 45 steps – a far cry from the neighbor model. We aggregate these counts into an index of "independent procedural actions" and normalize the index to fall between zero and one based on the minimum and the maximum number of actions among countries.

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[6] We only count the minimum number of independent procedural actions required to bring the case to completion. Thus, the appointment of a lawyer is only counted as a step if legal representation is mandatory. Notifications of interlocutory decisions that do not require further interaction between the parties and the judge or court officer (as when the clerk makes an entry into the notification book) are not counted as separate steps since they are ancillary to the decision.

Having assembled the data, we combine the seven sub-indexes into the index of formalism. We scale each sub-index to fall between zero and 1, so the formalism index falls between 0 and 7, with 7 representing, according to our conception, the greatest distance from the neighbor model. The exact method of the construction of the formalism index is not crucial, since the various sub-indices generally point in the same direction as to which countries regulate adjudication more heavily.

C. Other Variables

Our data contain information on the quality of dispute resolution. One measure of quality is an estimate – in calendar days – of duration of dispute resolution by the lawyers who completed the questionnaires. Duration is measured as the number of calendar days counted from the moment the plaintiff files the lawsuit in court, until the moment of actual repossession (eviction) or payment (check). This measure includes both the days where actions take place and waiting periods between actions. The participating firms make separate estimates of the average duration until the completion of service of process, the issuance of judgment (duration of trial), and the moment of payment or repossession (duration of enforcement).[7] To the extent that we are interested in the ability of ordinary persons to use the legal system, these estimates of duration are highly relevant for efficiency.

In addition to the data from the questionnaires, we use data from surveys of business people on the quality of the legal system. These include measures of the enforceability of contracts, corruption, and "law and order." In addition, we use information from small firm

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[7] Law firms also provide us with estimates of the minimum and the maximum amount of time in calendar days each case could take given its specifics. This request helped lawyers to focus on the average length of time and not just

assessments of various aspects of the quality of the legal system, including consistency, honesty, and fairness, contained in the World Business Environment Survey. These data will be used to shed light on the crucial question: does formalism secure justice?

Finally, we assemble some data to examine alternative hypotheses concerning the determinants of judicial quality. From Lex Mundi member firms, we get data on whether judges face mandatory time deadlines, whether lawyers are allowed to charge contingency fees, and whether losers in civil disputes must pay the winners' legal fees. We also obtain data on 1999 per capita income in each country, the average years of schooling, and ethnic fractionalization. The latter variable is used as a control, since studies find that such fractionalization has adverse consequences for institutional performance [La Porta et al. 1999, Alesina et al. 2002].

### IV. Formalism and its Determinants

Table II presents our data on procedural formalism, with sub-indices and the overall index. Table IIa focuses on eviction, and Table IIb on check collection (Appendices IIA and IIB contain the data). Countries are arranged by legal origin, and we report the means for each legal origin and the tests of the differences in these means. For both check collection and eviction, common law countries have least formalized, and French civil law countries most formalized, dispute resolution, with other legal origins in the middle. For eviction, the differences hold for all sub-indices, but are stronger in some areas (legal justification, number of independent procedural actions) than in others (evidence, superior review). The differences in formalism among civil law countries (French, German, socialist and Scandinavian) are less pronounced,

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think about the worst or best case they had encountered.

and typically not as statistically significant (except that German and Scandinavian origin countries regulate less heavily than Socialist and French ones). For check collection, the pattern of results is similar, except that one of the sub-indices is lower in French civil law countries than in common law countries. The rankings of legal origins hold also within per capita income quartiles. These findings are broadly consistent with the thrust of the comparative law literature.

Table III examines the consistency of this evidence across the various sub-indices measuring alternative aspects of procedural formalism, as well as across the two cases. The evidence shows a clear picture of consistency. The various sub-indices are positively correlated with the overall index within each case. Moreover, across the two types of cases, the same sub-indices are strongly positively correlated with each other. The correlation of the formalism index between check collection and eviction is 0.83. In contrast to the general pattern, the evidence and review sub-indices are uncorrelated with the others. For most aspects of formalism, however, it appears that some countries regulate dispute resolution more heavily than others.

In Table IV, we examine the determinants of formalism looking at the sub-indices and the overall index. Panel A deals with eviction, and Panel B with check collection. The omitted dummy is common law (English) legal origin. Richer countries exhibit lower levels of procedural formalism than poorer ones. The data for most sub-indices and the overall index also show that dispute resolution in socialist and French civil law countries is more formalized than in common law countries, even holding per capita income constant. The point estimates in the regressions are consistent with the means in Table II, yielding roughly the same order of legal origins, and in most cases the coefficients are statistically significant. Dispute resolution in

German and Scandinavian origin countries also appears to be more formalized than in common law countries, although the results for sub-indices are generally statistically insignificant.  The incremental $R^2$ in explaining the formalism index from the legal origin dummies is 40 percent: nearly half of the residual variation in formalism (holding per capita income constant) is explained by the legal tradition.  These results are robust to inclusion of other controls, such as ethnic fractionalization, latitude, and average years of schooling.

These results provide striking support of the comparative law hypothesis that there are systematic differences in legal procedure across legal families, and, more specifically, civil law countries have more formal dispute resolution than do common law countries.[8]


## V.  Determinants of the Quality of Courts

In this section, we evaluate the alternative theories of the determinants of the quality of courts. Table V presents the raw information, by country, on the estimated duration of dispute resolution, with countries are arranged by legal origin.  A striking finding is the extraordinary length of time it takes, on average, to pursue either claim in court. The worldwide average time for accomplishing an eviction is 254 (median of 202) calendar days, and for collecting a check 234 (median of 197) calendar days.  With all the other costs, this number suggests why individuals in most countries choose not to use the formal legal system to resolve their disputes.

There is tremendous variation in the estimated duration of each procedure among countries.  Eviction is estimated to take 49 days in the U.S., 547 in Austria and 660 in Bulgaria.

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[8] We also consider the hypothesis that the influence of Catholicism, with its protection of creditors, shapes judicial formalism.  Although the percentage of a country's population that is catholic is a statistically significant determinant of formalism, this variable becomes insignificant in a horse-race with legal origin, which remains important.

Check collection is estimated to take 60 in New Zealand, 527 in Colombia, and 645 in Italy. The comparison by legal origin for eviction puts common law and Scandinavian legal origin countries on top (shortest duration) and socialist and French legal origin countries at the bottom. Interestingly, and consistent with earlier work on creditor rights in Germany [La Porta et al. 1997], German legal origin countries are comparatively more efficient at check collection than at eviction. But the bottom line of Table V is the higher expected duration in civil law countries. In the words of an Indonesian legal scholar, "in connection with the nature of judicial process itself and considering the formal, punctual, and rather complicated manners and usages upheld by courts according to the Law of Procedure (especially for the laymen), it could be said that correct judgment can not be performed in a short time" [Gandasurbrata 1980, p.7].

Table VI presents the regression results of the determinants of judicial quality, including the log of per capita income, average years of schooling, latitude, ethnic fractionalization, and the formalism index (we consider incentives later). Panel A focuses on eviction, and panel B on check collection. For both procedures, expected duration is not related to either the level of per capita income or the years of schooling in a statistically significant way. (The two controls – fractionalization and latitude – are also insignificant.) These results are inconsistent with the development hypothesis.

In contrast, expected duration is highly correlated with procedural formalism. Countries with higher formalism, not surprisingly, have longer expected times of using the judicial system to evict a non-paying tenant or to collect a check. This result has important implications: it suggests that legal structure, rather than the level of development, shapes this crucial dimension of judicial efficiency.

Some examples illustrate the findings of Table VI. Malawi is a low-income common law country, with per capita income of $180. It has a formalism index of 3.14 for eviction, and expected duration of only 35 days. It also has a formalism index of 2.95 for check collection, and expected duration of 108 days. By comparison, Mozambique is a low-income French legal origin country, with per capita income of $220. It has one of the highest formalism indices of 5.15 for eviction, and expected duration of 540 days. For check collection, its formalism index is 4.49, and expected duration is 540 days. The same pattern emerges if we compare middle income countries (e.g., New Zealand versus Portugal), as well as rich countries (e.g., United Kingdom versus Austria).

The results on expected duration raise the crucial question: does procedural formalism, at the cost of longer proceedings, secure better justice? The answer suggested by Table VI is No.

Note first that countries with richer populations generally have higher quality justice as indicated by nearly all survey measures, consistent with the development hypothesis. However, our measure of human capital, the average years of schooling, often enters with the "wrong" (negative) sign and is statistically significant. The latter result is not just a consequence of education and per capita income being highly correlated; education comes in negative about half the time even without the inclusion of per capita income. Latitude is generally unimportant, but ethnic fractionalization exerts a negative, though usually insignificant, influence on judicial quality. The evidence on the development hypothesis is thus mixed: our measure of income, but not our measure of education, yields results consistent with this hypothesis.

Nearly all survey measures suggest that higher formalism is associated with inferior justice, holding other things constant. This result holds, with minor differences, for both eviction

and check collection. It holds for enforceability of contracts, law and order, and corruption, but also for World Business Environment Survey measures. Higher formalism is associated with less fairness and impartiality, less honesty, less consistency, and less confidence in the legal system.[9] Table VI contains the basic bottom line of this paper: at least for simple disputes, higher formalism is associated not only with the expected higher duration of dispute resolution, but also with lower quality justice as perceived by participants.

In Table VII, we repeat the analysis of Table VI using legal origin dummies as instruments for formalism. With no exceptions, the results remain statistically significant, and confirm that formalism has adverse effects on both the expected duration of proceedings and other aspects of quality of the legal system. The exogeneity of legal origin for most countries suggests that it is unlikely to be the case that countries with a worse law and order environment *choose* heavier formalism. The instrumental variable results suggest the opposite direction of causality: countries that have inherited legal systems with heavily formalized dispute resolution end up with lower quality legal systems, at least for simple disputes.

At the same time, the instrumental variable procedure cannot reject the hypothesis that the adverse effect of French civil law on the efficiency and quality of dispute resolution works through a channel other than formalism. For example, suppose that the transplantation of French legal rules is conducive to general state interventionism and bureaucratic inefficiency, as argued in La Porta et al. [1999], and that this channel undermines the performance of courts as well. In this case, we cannot be sure that formalism, as opposed to general interventionism, is the culprit. To assess this alternative, we repeat the analysis in Tables VI and VII using in place of

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[9] The results in Table VI hold with the French and the English legal origins, and are robust to alternative measures of heterogeneity, such as religious heterogeneity from Alesina et al. [2002].

formalism a measure of state interventionism having nothing to do with courts per se, namely the heaviness of regulation of entry by new firms from Djankov et al. [2002]. The latter paper finds that such regulation is heavier in French civil law countries than in common law countries. When we do this analysis, we find that, indeed, the regulation of entry predicts longer duration of dispute resolution, and lower quality of adjudication, in both the OLS and instrumental variable regressions. However, the explanatory power of regulation of entry is only 4 to 5 percent, compared to the explanatory power of formalism of 18 to 20 percent. Thus, while we cannot reject the hypothesis that the channel of influence of legal origin on the quality of dispute resolution is general interventionism, the channel we have identified in this paper, namely procedural formalism, explains much more than a generic measure of interventionism.

Finally, we consider the hypothesis that the quality of adjudication is shaped by the incentives facing the participants [Messick 1999, Buscaglia and Dakolias 1999]. In Table VIII, we present the results for three frequently mentioned measures of incentives: mandatory time limits for judges, loser pays rules, and prohibition of contingency fees for attorneys. Mandatory deadlines are sometimes seen as effective mechanisms for speeding up proceedings; loser pays rules may make justice quicker and fairer because they discourage delays by defendants who are at fault; while prohibitions of contingency fees may dis-incentivize lawyers and thus delay proceedings. There is no convincing evidence, however, that these measures of incentives systematically influence either the duration of proceedings, or the subjective measures of the quality of the legal system. Moreover, despite the inclusion of the three new variables, the formalism index retains its effect and statistical significance in nearly all specifications.

This analysis concludes our presentation of the evidence on the three theories of what determines court performance. The results on the incentive theory are negative, but must be interpreted with caution, since we might not have the most appropriate measures of incentives facing the participants in a dispute. The results on the development theory are mixed: countries with richer populations have better (in some resepcts) courts, though this is not true for countries with more educated populations. Finally, consistent with our analysis of regulation of dispute resolution, countries with heavier procedural formalism have both more slow and lower quality systems of dispute resolution, at least when one focuses on simple disputes.

## VI.    Conclusion

We present an analysis of legal procedures triggered by resolving two specific disputes—the eviction of a non-paying tenant and the collection of a bounced check—in 109 countries. The data come from detailed descriptions of these procedures by Lex Mundi member law firms. For each country, the analysis leads to an index of formalism—a measure of the extent to which its legal procedure differs from the hypothetical benchmark of a neighbor informally resolving a dispute between two other neighbors. We then ask whether formalism varies systematically across countries, and whether it shapes the quality of the legal system.

Consistent with the literature on comparative law, we find that judicial formalism is systematically greater in civil law countries, and especially French civil law countries, than in common law countries. Formalism is also lower in the richest countries. The expected duration of dispute resolution is often extraordinarily high, suggesting significant inefficiencies. The expected duration is higher in countries with more formalized proceedings, but is independent of

the level of development.  Perhaps more surprisingly, formalism is nearly universally associated with lower survey measures of the quality of the legal system.  These  measures of quality are also higher in countries with richer populations.  We find no evidence that incentives facing the participants in litigation influence the performance of courts.

There are two broad views of this evidence.  According to the first, greater formalism is efficient in some countries: it can reduce error, advance benign political goals, or protect the judicial process from subversion by powerful interests.  On this view, the various regulatory steps, such as reliance on professional judges and collection of written evidence, are there to secure a fair judicial process.  Put differently, while heavily formalized adjudication appears problematic on some measures, it would be even more problematic without the regulation.

According to the second view, many developing countries accepted the formalism in adjudication they now have as part of the transplantation of their legal system from their colonizers. On this view, there is no presumption that the transplanted system is efficient. Although heavy procedural formalism has theoretically plausible reasons for its existence, the reality it brings is extreme costs and delays, unwillingness by potential participants to use courts, and ultimately injustice.  At least some of the burdens of formalism may therefore be unnecessary, and could be relieved through reform, especially for simple disputes.

The evidence in this paper supports the second theory.  Specifically, the evidence points to extremely long expected duration of dispute resolution, suggesting that courts are not an attractive venue for resolving disputes.  Furthermore, we find no offsetting benefits of formalism, even when looking at a variety of measures of the perception of fairness and justice

by the users of the legal system. Moreover, legal origin itself appears to determine judicial quality, other things equal, suggesting that formalism is unlikely to be part of an efficient design.

The evidence suggests that the systems of dispute resolution in many countries may be inefficient – at least as far as simple disputes are concerned. In particular, one cannot presume in economic analysis, especially as applied to developing countries, that property and contract are secured by courts. This conclusion has two implications. First, it may explain why alternative strategies of securing property and contract, including private dispute resolution, are so widespread in developing countries. Second, our results suggest a practical strategy of judicial reform, at least with respect to simple disputes, namely the reduction of procedural formalism.

World Bank

Harvard University

Yale University

Harvard University

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**Table I**
**Description of the variables**

This table describes the variables in the paper. Unless otherwise specified, the source for the variables is the survey of law firms and the laws of each country. All the data for each country can be found at http://iicg.som.yale.edu/.

| Variable | Description |
|---|---|
| *Professionals vs. laymen* | |
| General jurisdiction court | The variable measures whether a court of general or of limited jurisdiction would be chosen or assigned to hear the case under normal circumstances. We define a court of general jurisdiction as a state institution, recognized by the law as part of the regular court system, generally competent to hear and decide regular civil or criminal cases. A limited jurisdiction court would hear and decide only some types of civil cases. Specialized debt-collection or housing courts, small-claims courts, and arbitrators or justices of the peace are examples. Equals one for a court of general jurisdiction, and zero for a court of limited jurisdiction. |
| Professional vs. non-professional judge | The variable measures whether the judge, or the members of the court or tribunal, could be considered as professional. A professional judge is one who has undergone a complete professional training as required by law, and whose primary activity is to act as judge or member of a court. A non-professional judge is an arbitrator, administrative officer, practicing attorney, merchant, or any other layperson who may be authorized to hear and decide the case. Equals one for a professional judge, and zero for a non-professional judge. |
| Legal representation is mandatory | The variable measures whether the law requires the intervention of a licensed attorney. The variable equals one when legal representation is mandatory, and zero when legal representation is not mandatory. |
| Index: Professionals vs. laymen. | The index measures whether the resolution of the case relies on the work of professional judges and attorneys, as opposed to other types of adjudicators and lay people. The index is the normalized sum of: (i) general jurisdiction court, (ii) professional vs. non-professional judge, and (iii) legal representation is mandatory. The index ranges from 0 to 1, where higher values mean more participation by professionals. |
| *Written vs. oral* | |
| Filing | Equals one if the complaint is normally submitted in written form to the court, and zero if it can be presented orally. |
| Service of process | Equals one if the defendant's first official notice of the complaint is most likely received in writing, and zero otherwise. |
| Opposition | Equals one if under normal circumstances the defendant's answer to the complaint should be submitted in writing, and zero if it may be presented orally to court. |
| Evidence | Equals one if evidence is mostly submitted to the court in written form, in the form of attachments, affidavits, or otherwise, and zero if most of the evidence, including documentary evidence, is presented at oral hearings before the judge. |
| Final arguments | Equals one if final arguments on the case are normally submitted in writing, and zero if they are normally presented orally in court before the judge. |
| Judgment | Equals one if the judge issues the final decision in the case in written form, and zero he issues it orally in an open court hearing attended by the parties. The defining factor is whether the judge normally decides the case at a hearing. If the judge simply reads out a previously made written decision, the variable equals one. Conversely, for an orally pronounced judgment that is later transposed into writing for enforcement purposes, the variable equals zero. |
| Notification of judgment | Equals one if normally the parties receive their first notice of the final decision in written form, by notice mailed to them, publication in a court board or gazette, or through any other written means. The variable equals zero if they receive their first notice in an open court hearing attended by them. |
| Enforcement of judgment | Equals one if the enforcement procedure is mostly carried out through the written court orders or written acts by the enforcement authority, and zero otherwise. |
| Index: Written vs. oral elements | The index measures the written or oral nature of the actions involved in the procedure, from the filing of the complaint until the actual enforcement. The index is calculated as the number of stages carried out mostly in written form over the total number of applicable stages, and it ranges from 0 to 1, where higher values mean higher prevalence of written elements. |
| *Legal justification* | |
| Complaint must be legally justified | The variable measures whether the complaint is required, by law or court regulation, to include references to the applicable laws, legal reasoning, or formalities that would normally require legal training. Equals one for a legally justified complaint, and zero when the complaint does not require legal justification (specific articles of the law or case-law). |
| Judgment must be legally justified | The variable measures whether the judgment must expressly state the legal justification (articles of the law or case-law) for the decision. Equals one for a legally justified judgment, and zero otherwise. |

| | |
|---|---|
| Judgment must be on law (not on equity) | The variable measures whether the judgment may be motivated on general equity grounds, or if it must be founded on the law. Equals one when judgment must be on law only, and zero when judgment may be based on equity grounds. |
| Index: Legal justification | The index measures the level of legal justification required in the process. The index is formed by the normalized sum of: (i) complaint must be legally justified, (ii) judgment must be legally justified, and (iii) judgment must be on law (not on equity). The index ranges from 0 to 1, where higher values mean a higher use of legal language or justification. |

### Statutory regulation of evidence

| | |
|---|---|
| Judge cannot introduce evidence | Equals one if, by law, the judge cannot freely request or take evidence that has not been requested, offered, or introduced by the parties, and zero otherwise. |
| Judge cannot reject irrelevant evidence | Equals one if, by law, the judge cannot refuse to collect or admit evidence requested by the parties, even if she deems it irrelevant to the case, and zero otherwise. |
| Out-of-court statements are inadmissible | Equals one if statements of fact that were not directly known or perceived by the witness, but only heard from a third person, may not be admitted as evidence. The variable equals zero otherwise. |
| Mandatory pre-qualification of questions | Equals one if, by law, the judge must pre-qualify the questions before they are asked of the witnesses, and zero otherwise. |
| Oral interrogation only by judge | Equals one if parties and witnesses can only be orally interrogated by the judge, and zero if they can be orally interrogated by the judge and the opposing party. |
| Only original documents and certified copies are admissible | Equals one if only original documents and "authentic" or "certified" copies are admissible documentary evidence, and zero if simple or uncertified copies are admissible evidence as well. |
| Authenticity and weight of evidence defined by law | Equals one if the authenticity and probative value of documentary evidence is specifically defined by the law, and zero if all admissible documentary evidence is freely weighted by the judge. |
| Mandatory recording of evidence | Equals one if, by law, there must be a written or magnetic record of all evidence introduced at trial, and zero otherwise. |
| Index: Statutory regulation of evidence | The index measures the level of statutory control or intervention of the administration, admissibility, evaluation and recording of evidence. The index is formed by the normalized sum of the following variables : (i) judge can not introduce evidence, (ii) judge cannot reject irrelevant evidence, (iii) out-of-court statements are inadmissible, (iv) mandatory pre-qualification of questions, (v) oral interrogation only by judge, (VI) only original documents and certified copies are admissible, (vii) authenticity and weight of evidence defined by law, and (viii) mandatory recording of evidence. The index ranges from 0 to 1, where higher values mean a higher statutory control or intervention. |

### Control of Superior Review

| | |
|---|---|
| Enforcement of judgment is automatically suspended until resolution of the appeal | Equals one if the enforcement of judgment is automatically suspended until resolution of the appeal when a request for appeal is granted. Equals zero if the suspension of the enforcement of judgment is not automatic, or if the judgment cannot be appealed at all. |
| Comprehensive review in appeal | Equals one if issues of both law and fact (evidence) can be reviewed by the appellate court. Equals zero if only new evidence or issues of law can be reviewed in appeal, or if judgment cannot be appealed. |
| Interlocutory appeals are allowed | Equals one if interlocutory appeals are allowed, and zero if they are always prohibited. Interlocutory appeals are defined as appeals against interlocutory or interim judicial decisions made during the course of a judicial proceeding in first instance and before the final ruling on the entire case. |
| Index: Control of superior review | The index measures the level of control or intervention of the appellate court's review of the first-instance judgment. The index is formed by the normalized sum of the following variables : (i) enforcement of judgment is automatically suspended until resolution of appeal, (ii) comprehensive review in appeal, and (iii) interlocutory appeals are allowed. The index ranges from 0 to 1, where higher values mean higher control or intervention. |

### Engagement formalities

| | |
|---|---|
| Mandatory pre-trial conciliation | Equals one if the law requires plaintiff to attempt a pre-trial conciliation or mediation before filing the lawsuit, and zero otherwise. |
| Service of process by judicial officer required | Equals one if the law requires the complaint to be served to the defendant through the intervention of a judicial officer, and zero if service of process may be accomplished by other means. |
| Notification of judgment by judicial officer required | Equals one if the law requires the judgment to be notified to the defendant through the intervention of a judicial officer, and zero if notification of judgment may be accomplished by other means. |

| | |
|---|---|
| Index: Engagement formalities | The index measures the formalities required to engage someone in the procedure or to held him/her accountable of the judgment. The index is formed by the normalized sum of the following variables: (i) mandatory pre-trial conciliation, (ii) service of process by judicial officer required, and (iii) notification of judgment by judicial officer required. The index ranges from 0 to 1, where higher values mean a higher statutory control or intervention in the judicial process. |

*Independent procedural actions*

| | |
|---|---|
| Filing and service | The total minimum number of independent procedural actions required to complete filing, admission, attachment, and service. |
| Trial and judgment | The total minimum number of independent procedural actions required to complete opposition to the complaint, hearing or trial, evidence, final arguments, and judgment. |
| Enforcement | The total minimum number of independent procedural actions required to complete notification and enforcement of judgment. |
| Index: Independent procedural actions | An independent procedural action is defined as a step of the procedure, mandated by law or court regulation, that demands interaction between the parties or between them and the judge or court officer (e.g., filing a motion, attending a hearing, mailing a letter, or seizing some goods). We also count as an independent procedural action every judicial or administrative writ or resolution (e.g., issuing judgment or entering a writ of execution) which is legally required to advance the proceedings until the enforcement of judgment. Actions are always assumed to be simultaneous if possible, so procedural events that may be fulfilled in the same day and place are only counted as one action. To form the index, we: (1) add the minimum number of independent procedural actions required to complete all the stages of the process (from filing of lawsuit to enforcement of judgment); and (2) normalize this number to fall between zero and one using the minimum and the maximum number of independent procedural actions among the countries in the sample. The index takes a value of zero for the country with the minimum number of independent procedural actions, and a value of one for the country with the maximum number of independent procedural actions. |

*Formalism index*

| | |
|---|---|
| Formalism index | The index measures substantive and procedural statutory intervention in judicial cases at lower-level civil trial courts, and is formed by adding up the following indices: (i) professionals vs. laymen, (ii) written vs. oral elements, (iii) legal justification, (iv) statutory regulation of evidence, (v) control of superior review, (vi) engagement formalities, and (vii) independent procedural actions. The index ranges from 0 to 7, where 7 means a higher level of control or intervention in the judicial process. |

*Incentives of parties*

| | |
|---|---|
| Mandatory time limit for admission | Equals one if the judge is required by law to admit or reject the lawsuit within a certain period of time, and zero otherwise. |
| Mandatory time limit to present evidence | Equals one if the period in which the parties may collect or present evidence is fixed by law to a certain number of days after service or number of days before hearing, and zero otherwise. |
| Mandatory time limit to present defense | Equals one if the defendant is required by law to file the opposition within certain time limit, either in terms of number of days from service or number of days before the hearing. The variable equals zero otherwise. |
| Mandatory time limit for judgment | Equals one if the judge is required by law to enter judgment within a specified period of time after the conclusion of the hearing or the final pleadings, and zero otherwise. |
| Mandatory time limit for notification of judgment | Equals one if the court is required by law to notify the parties within a specified period of time after judgment is entered, and zero otherwise. |
| Index: Mandatory time limits | The presence of mandatory time limits in the procedure. The index is calculated as the average of: (i) term for admission, (ii) term to present evidence, (iii) term to present defense, (iv) term for judgment, (v) term for compliance, (vi) term for notification of judgment. The index ranges from 0 to 1, where higher values mean more mandatory deadlines. |
| Quota litis prohibited | The variable equals one if quota litis or contingent fee agreements are prohibited by law in all cases, and zero otherwise. |
| Loser pays rule | The variable equals one if the loser is required to pay all the costs of the dispute, and zero otherwise. |

*Duration in practice*

| | |
|---|---|
| Duration until completion of service of process | Estimated duration, in calendar days, between the moment the plaintiff files the complaint until the moment of service of process to the defendant. |
| Duration of trial | Estimated duration, in calendar days, between the moment of service of process and the moment the judgment is issued. |
| Duration of enforcement | Estimated duration, in calendar days, between the moment of issuance of judgment and the moment the landlord repossesses the property (for the eviction case) or the creditor obtains payment (for the check collection case). |
| Total duration | The total estimated duration in calendar days of the procedure under the factual and procedural assumptions provided. It equals the sum of: (i) duration until completion of service of process, (ii) duration of trial, and (iii) duration of enforcement. |

| | |
|---|---|
| Enforceability of contracts | "The relative degree to which contractual agreements are honored and complications presented by language and mentality differences." Scale for 0 to 10, with higher scores indicating higher enforceability. *Source*: *Business Environmental Risk Intelligence.* Exact definition in *Knack, Stephen and Philip Keefer, 1995.* |
| Legal system is fair and impartial | "In resolving business disputes, do you believe your country's court system to be fair and impartial?" The scale ranges from 1 to 6, where higher scores mean a fairer and more impartial legal system. *Source: World Business Environment Survey.* |
| Legal system is honest or uncorrupt | "In resolving business disputes, do you believe your country's court system to be honest/uncorrupt?" The scale ranges from 1 to 6, where a higher score signals a more honest and uncorrupt system. *Source: World Business Environment Survey.* |
| Legal system is affordable | "In resolving business disputes, do you believe your country's court system to be affordable?" The scale ranges from 1 to 6, where a higher score means a more affordable legal system. *Source: World Business Environment Survey.* |
| Legal system is consistent | "In resolving business disputes, do you believe your country's court system to be consistent?" The scale ranges from 1 to 6, where a higher score means a more consistent legal system. *Source: World Business Environment Survey.* |
| Confidence in legal system | The questionnaire asks the managers the degree to which they believe the system will uphold contracts and property rights in a business dispute. The scale ranges from 1 to 6, where a higher score means a higher degree of confidence on the system. *Source: World Business Environment Survey.* |
| Corruption | A composite index for the year 2000 that draws on 14 data sources from seven institutions: the World Economic Forum, the World Business Environment Survey of the World Bank, the Institute of Management Development (in Lausanne), PricewaterhouseCoopers, the Political and Economic Risk Consultancy (in Hong Kong), the Economist Intelligence Unit and Freedom House's Nations in Transit. The score ranges between 10 (highly clean) and 0 (highly corrupt). *Source: Transparency International (2001).* |
| Law and Order | Integrity of legal system in 2000. This component is based on the Political Risk Component 1 (Law and Order) from the PRS Group's International Country Risk Guide (various issues). Rankings are modified to a 10 point scale. *Source: Economic Freedom of the World (2002).* |
| Quota litis prohibited | Equals one if quota litis or contingent fee agreements are prohibited by law in all cases, and zero otherwise. |
| Loser pays rule | Equals one if the loser is required to pay all the costs of the dispute, and zero otherwise. |

*Other variables*

| | |
|---|---|
| Log of GNP per capita | Logarithm of GNP per capita in 1999, Atlas method, expressed in current US dollars. When 1999 income data in US dollars was not available, the latest available number was used (1996 for Kuwait, 1997 for Cayman Islands, Gibraltar, Turks and Caicos Island, 1998 for Anguilla, Bahrain, Netherlands Antilles, United Arab Emirates). Income for Anguilla, the British Virgin Islands, the Cayman Island, Gibraltar, Monaco, the Netherlands Antilles, and the Turks and Caicos Islands is GDP per capita (PPP) from the CIA World Factbook. *Source: World Development Indicators.* |
| Legal origin | Identifies the legal origin of the company law or commercial code of each country (English, French, Socialist, German, Scandinavian). *Source: La Porta, et al. (1999).* |
| Latitude | The absolute value of the latitude of the capital of the country, scaled to take values between 0 and 1. *Source: CIA Factbook.* |
| Average years of schooling | Average number of years of schooling received per person aged 25 and over in 1992 (last available). *Source: Human Development Report (1994).* |
| Ethnic fractionalization | Ethnic fractionalization is computed as one minus the Herfindahl index of ethnic group shares. This calculation considers the probability that two persons, randomly chosen, from a population belong to different groups. *Source: Alesina et al. (2002).* |

# Table IIA
## Eviction of a tenant

This table classifies countries by legal origin and shows the professionals vs. laymen, written vs. oral elements, legal justification, statutory regulation of evidence, control of superior review, and engagement formalities indices, and the normalized number of independent procedural actions for the case of eviction of a tenant. All variables are described in Table I and the data can be found at http://iicg.som.yale.edu/.

| | Professionals vs. laymen | Written vs. oral elements | Legal justification | Statutory regulation of evidence | Control of superior review | Engagement formalities | Independent procedural actions | Formalism index |
|---|---|---|---|---|---|---|---|---|
| *English legal origin* | | | | | | | | |
| Anguilla | 0.67 | 0.88 | 0.67 | 0.13 | 1.00 | 0.67 | 0.28 | **4.28** |
| Australia | 0.00 | 0.57 | 0.33 | 0.25 | 0.67 | 0.00 | 0.17 | **1.99** |
| Bahrain | 0.33 | 0.63 | 1.00 | 0.38 | 1.00 | 0.33 | 0.25 | **3.92** |
| Bangladesh | 0.33 | 0.63 | 0.67 | 0.13 | 1.00 | 0.33 | 0.28 | **3.36** |
| Barbados | 0.67 | 0.50 | 0.00 | 0.25 | 0.67 | 0.00 | 0.25 | **2.33** |
| Belize | 0.00 | 0.38 | 0.67 | 0.38 | 0.67 | 0.00 | 0.00 | **2.08** |
| Bermuda | 0.33 | 0.38 | 0.00 | 0.25 | 0.33 | 0.00 | 0.03 | **1.32** |
| Botswana | 0.67 | 0.75 | 0.67 | 0.38 | 0.67 | 0.67 | 0.28 | **4.07** |
| BVI | 0.67 | 0.50 | 0.33 | 0.38 | 0.67 | 0.00 | 0.33 | **2.88** |
| Canada | 0.00 | 0.75 | 0.33 | 0.38 | 0.33 | 0.33 | 0.19 | **2.32** |
| Cayman | 0.67 | 0.63 | 0.67 | 0.25 | 0.67 | 0.33 | 0.39 | **3.60** |
| Cyprus | 0.67 | 0.63 | 0.67 | 0.38 | 0.67 | 0.33 | 0.17 | **3.50** |
| Ghana | 0.67 | 0.50 | 0.00 | 0.50 | 0.33 | 0.33 | 0.36 | **2.69** |
| Gibraltar | 0.67 | 0.75 | 0.33 | 0.13 | 0.33 | 0.00 | 0.31 | **2.51** |
| Grenada | 0.33 | 0.38 | 0.67 | 0.38 | 0.67 | 0.33 | 0.11 | **2.86** |
| Hong Kong | 0.33 | 0.75 | 1.00 | 0.13 | 0.67 | 0.00 | 0.25 | **3.13** |
| India | 0.33 | 0.75 | 1.00 | 0.38 | 0.33 | 0.33 | 0.39 | **3.51** |
| Ireland | 0.67 | 0.71 | 0.33 | 0.13 | 1.00 | 0.00 | 0.36 | **3.20** |
| Israel | 0.67 | 0.88 | 1.00 | 0.50 | 0.67 | 0.00 | 0.19 | **3.90** |
| Jamaica | 0.67 | 0.38 | 0.33 | 0.25 | 0.67 | 0.00 | 0.08 | **2.38** |
| Kenya | 0.33 | 0.75 | 0.33 | 0.38 | 0.67 | 0.00 | 0.39 | **2.85** |
| Malawi | 0.33 | 0.63 | 0.67 | 0.38 | 0.67 | 0.33 | 0.14 | **3.14** |
| Malaysia | 0.67 | 0.63 | 0.33 | 0.50 | 0.67 | 0.00 | 0.42 | **3.21** |
| Namibia | 0.67 | 0.63 | 0.67 | 0.38 | 1.00 | 0.33 | 0.19 | **3.86** |
| New Zealand | 0.00 | 0.50 | 0.33 | 0.00 | 0.33 | 0.00 | 0.08 | **1.25** |
| Nigeria | 0.33 | 0.63 | 0.33 | 0.38 | 1.00 | 0.00 | 0.42 | **3.08** |
| Pakistan | 0.67 | 0.63 | 0.67 | 0.25 | 1.00 | 0.00 | 0.53 | **3.74** |
| Singapore | 0.67 | 0.63 | 0.33 | 0.38 | 0.67 | 0.00 | 0.44 | **3.11** |
| South Africa | 0.67 | 0.50 | 0.67 | 0.38 | 1.00 | 0.33 | 0.14 | **3.68** |
| Sri Lanka | 0.67 | 0.63 | 1.00 | 0.38 | 1.00 | 0.00 | 0.22 | **3.89** |
| St. Vincent | 0.67 | 0.50 | 0.67 | 0.38 | 0.67 | 0.67 | 0.31 | **3.85** |
| Swaziland | 0.67 | 0.63 | 1.00 | 0.25 | 1.00 | 0.00 | 0.19 | **3.74** |
| Tanzania | 0.33 | 0.63 | 0.33 | 0.50 | 0.67 | 0.33 | 0.11 | **2.90** |
| Thailand | 0.67 | 0.88 | 1.00 | 0.38 | 0.67 | 0.33 | 0.33 | **4.25** |
| Trinidad & Tobago | 0.67 | 0.63 | 0.00 | 0.25 | 0.33 | 0.00 | 0.28 | **2.15** |
| Turks and Caicos | 0.67 | 0.63 | 0.00 | 0.38 | 0.67 | 0.00 | 0.47 | **2.81** |
| UAE | 0.00 | 0.50 | 0.33 | 0.00 | 0.00 | 0.33 | 0.28 | **1.44** |
| Uganda | 0.00 | 1.00 | 0.33 | 0.38 | 0.67 | 0.00 | 0.14 | **2.51** |
| United Kingdom | 0.67 | 0.75 | 0.33 | 0.00 | 0.33 | 0.00 | 0.14 | **2.22** |
| USA | 0.33 | 0.63 | 1.00 | 0.13 | 0.67 | 0.00 | 0.22 | **2.97** |
| Zambia | 0.67 | 0.50 | 0.33 | 0.38 | 0.67 | 0.33 | 0.19 | **3.07** |
| Zimbabwe | 0.33 | 0.63 | 0.67 | 0.38 | 0.67 | 0.33 | 0.11 | **3.11** |
| **Mean** | **0.48** | **0.63** | **0.52** | **0.30** | **0.67** | **0.17** | **0.25** | **3.02** |
| *Socialist legal origin* | | | | | | | | |
| Bulgaria | 0.67 | 0.88 | 1.00 | 0.25 | 1.00 | 0.33 | 0.39 | **4.51** |
| China | 0.67 | 0.75 | 0.33 | 0.38 | 1.00 | 0.00 | 0.28 | **3.40** |
| Croatia | 0.67 | 0.63 | 1.00 | 0.25 | 0.67 | 0.00 | 0.22 | **3.43** |
| Czech Republic | 0.67 | 0.38 | 1.00 | 0.25 | 1.00 | 0.00 | 0.25 | **3.54** |
| Estonia | 0.67 | 0.75 | 1.00 | 0.38 | 1.00 | 0.67 | 0.28 | **4.74** |
| Georgia | 0.67 | 0.63 | 0.67 | 0.25 | 1.00 | 0.00 | 0.31 | **3.51** |
| Hungary | 0.67 | 0.75 | 1.00 | 0.13 | 0.67 | 0.00 | 0.25 | **3.46** |
| Kazakhstan | 0.67 | 0.63 | 0.67 | 0.38 | 1.00 | 0.00 | 0.67 | **4.00** |
| Latvia | 0.67 | 0.63 | 1.00 | 0.38 | 1.00 | 0.00 | 0.19 | **3.86** |
| Lithuania | 0.67 | 0.75 | 1.00 | 0.38 | 1.00 | 0.00 | 0.42 | **4.21** |
| Poland | 0.67 | 0.75 | 1.00 | 0.50 | 1.00 | 0.00 | 0.17 | **4.08** |
| Romania | 0.67 | 0.75 | 1.00 | 0.50 | 1.00 | 0.00 | 0.56 | **4.47** |
| Russia | 0.67 | 0.50 | 0.67 | 0.38 | 1.00 | 0.00 | 0.11 | **3.32** |
| Slovenia | 0.67 | 0.75 | 1.00 | 0.38 | 1.00 | 0.00 | 0.47 | **4.26** |
| Ukraine | 0.67 | 0.75 | 0.33 | 0.63 | 1.00 | 0.00 | 0.22 | **3.60** |
| Vietnam | 0.67 | 0.50 | 0.00 | 0.25 | 1.00 | 0.00 | 0.42 | **2.83** |
| **Mean** | **0.67** | **0.67** | **0.79** | **0.35** | **0.96** | **0.06** | **0.32** | **3.83** |
| *French legal origin* | | | | | | | | |
| Argentina | 1.00 | 1.00 | 1.00 | 0.13 | 1.00 | 0.67 | 0.69 | **5.49** |
| Belgium | 0.67 | 0.75 | 0.33 | 0.25 | 0.67 | 0.33 | 0.17 | **3.17** |
| Bolivia | 1.00 | 1.00 | 0.67 | 0.25 | 1.00 | 0.67 | 0.53 | **5.11** |
| Brazil | 1.00 | 0.63 | 1.00 | 0.38 | 0.67 | 0.00 | 0.17 | **3.83** |
| Chile | 1.00 | 0.88 | 0.67 | 0.50 | 0.67 | 0.67 | 0.42 | **4.79** |
| Colombia | 0.67 | 1.00 | 1.00 | 0.25 | 0.00 | 0.33 | 0.69 | **3.94** |
| Costa Rica | 0.67 | 0.86 | 1.00 | 0.50 | 1.00 | 0.67 | 0.36 | **5.05** |
| Cote D'Ivoire | 0.67 | 0.50 | 0.67 | 0.25 | 0.67 | 0.67 | 0.22 | **3.64** |
| Dominican Republic | 0.33 | 0.63 | 1.00 | 0.38 | 1.00 | 0.67 | 0.36 | **4.36** |

| | Professionals vs. laymen | Written vs. oral elements | Legal justification | Statutory regulation of evidence | Control of superior review | Engagement formalities | Independent procedural actions | **Formalism index** |
|---|---|---|---|---|---|---|---|---|
| Ecuador | 0.67 | 0.88 | 1.00 | 0.63 | 0.67 | 0.33 | 0.47 | **4.64** |
| Egypt | 0.67 | 0.63 | 1.00 | 0.50 | 0.33 | 0.33 | 0.14 | **3.60** |
| El Salvador | 0.33 | 1.00 | 0.67 | 0.75 | 0.67 | 0.67 | 0.17 | **4.25** |
| France | 0.33 | 0.75 | 1.00 | 0.13 | 0.67 | 0.67 | 0.06 | **3.60** |
| Greece | 1.00 | 1.00 | 1.00 | 0.50 | 0.00 | 0.67 | 0.14 | **4.31** |
| Guatemala | 1.00 | 1.00 | 1.00 | 0.75 | 1.00 | 0.67 | 0.36 | **5.78** |
| Honduras | 0.67 | 1.00 | 1.00 | 0.63 | 0.67 | 0.33 | 0.39 | **4.68** |
| Indonesia | 0.33 | 0.88 | 0.67 | 0.50 | 0.67 | 0.33 | 0.50 | **3.88** |
| Italy | 1.00 | 1.00 | 0.67 | 0.13 | 0.67 | 0.67 | 0.11 | **4.24** |
| Jordan | 0.67 | 0.63 | 0.67 | 0.50 | 0.00 | 0.33 | 0.58 | **3.38** |
| Kuwait | 0.33 | 0.88 | 1.00 | 0.25 | 1.00 | 1.00 | 0.14 | **4.60** |
| Lebanon | 1.00 | 0.88 | 1.00 | 0.50 | 1.00 | 0.67 | 0.53 | **5.57** |
| Luxembourg | 0.33 | 0.86 | 0.67 | 0.50 | 1.00 | 0.00 | 0.31 | **3.66** |
| Malta | 0.67 | 0.63 | 0.67 | 0.38 | 0.67 | 0.33 | 0.08 | **3.42** |
| Mexico | 0.33 | 0.88 | 1.00 | 0.50 | 0.67 | 0.67 | 0.78 | **4.82** |
| Monaco | 0.33 | 0.63 | 0.67 | 0.25 | 0.33 | 0.67 | 0.06 | **2.93** |
| Morocco | 0.67 | 1.00 | 0.67 | 0.63 | 1.00 | 0.67 | 0.17 | **4.79** |
| Mozambique | 1.00 | 0.75 | 1.00 | 0.38 | 1.00 | 0.67 | 0.36 | **5.15** |
| Netherlands | 0.33 | 0.63 | 0.67 | 0.13 | 0.67 | 0.33 | 0.25 | **3.00** |
| Netherlands Antilles | 0.67 | 0.63 | 0.33 | 0.25 | 0.67 | 0.67 | 0.42 | **3.63** |
| Panama | 1.00 | 1.00 | 1.00 | 0.25 | 1.00 | 0.67 | 1.00 | **5.92** |
| Paraguay | 0.67 | 0.86 | 1.00 | 0.63 | 0.67 | 0.67 | 0.61 | **5.09** |
| Peru | 1.00 | 0.88 | 1.00 | 0.38 | 1.00 | 0.67 | 0.50 | **5.42** |
| Philippines | 1.00 | 1.00 | 1.00 | 0.50 | 0.33 | 0.67 | 0.50 | **5.00** |
| Portugal | 1.00 | 0.75 | 1.00 | 0.38 | 1.00 | 0.00 | 0.42 | **4.54** |
| Senegal | 0.67 | 0.63 | 0.33 | 0.63 | 0.67 | 0.67 | 0.31 | **3.89** |
| Spain | 0.67 | 0.88 | 1.00 | 0.63 | 0.67 | 0.67 | 0.31 | **4.81** |
| Tunisia | 0.67 | 0.75 | 0.67 | 0.25 | 0.67 | 0.67 | 0.22 | **3.89** |
| Turkey | 0.67 | 0.63 | 1.00 | 0.75 | 0.00 | 0.00 | 0.44 | **3.49** |
| Uruguay | 1.00 | 0.50 | 0.67 | 0.13 | 0.67 | 0.33 | 0.69 | **3.99** |
| Venezuela | 1.00 | 1.00 | 1.00 | 0.50 | 1.00 | 0.67 | 0.64 | **5.81** |
| **Mean** | **0.72** | **0.81** | **0.83** | **0.42** | **0.69** | **0.53** | **0.38** | **4.38** |
| | | | | | | | | |
| *German legal origin* | | | | | | | | |
| Austria | 0.67 | 0.86 | 1.00 | 0.13 | 0.67 | 0.00 | 0.31 | **3.62** |
| Germany | 0.33 | 0.88 | 1.00 | 0.50 | 0.67 | 0.00 | 0.39 | **3.76** |
| Japan | 0.67 | 1.00 | 1.00 | 0.25 | 0.67 | 0.00 | 0.14 | **3.72** |
| Korea | 0.67 | 0.88 | 0.33 | 0.13 | 0.67 | 0.33 | 0.33 | **3.33** |
| Switzerland | 0.67 | 0.63 | 1.00 | 0.25 | 1.00 | 0.33 | 0.08 | **3.96** |
| Taiwan | 0.67 | 0.50 | 0.67 | 0.38 | 0.67 | 0.00 | 0.17 | **3.04** |
| **Mean** | **0.61** | **0.79** | **0.83** | **0.27** | **0.72** | **0.11** | **0.24** | **3.57** |
| | | | | | | | | |
| *Scandinavian legal origin* | | | | | | | | |
| Denmark | 0.67 | 0.75 | 0.67 | 0.13 | 1.00 | 0.00 | 0.39 | **3.60** |
| Finland | 0.33 | 0.50 | 0.67 | 0.25 | 0.67 | 0.00 | 0.11 | **2.53** |
| Iceland | 0.67 | 0.38 | 1.00 | 0.38 | 0.67 | 0.33 | 0.06 | **3.47** |
| Norway | 0.67 | 0.75 | 0.67 | 0.13 | 1.00 | 0.33 | 0.17 | **3.71** |
| Sweden | 0.67 | 0.75 | 0.33 | 0.25 | 1.00 | 0.00 | 0.31 | **3.31** |
| **Mean** | **0.60** | **0.63** | **0.67** | **0.23** | **0.87** | **0.13** | **0.21** | **3.32** |
| | | | | | | | | |
| **Mean for all countries** | **0.58** | **0.71** | **0.68** | **0.33** | **0.71** | **0.27** | **0.30** | **3.58** |

*Tests of means (t-stats)*

| | Professionals vs. laymen | Written vs. oral elements | Legal justification | Statutory regulation of evidence | Control of superior review | Engagement formalities | Independent procedural actions | **Formalism index** |
|---|---|---|---|---|---|---|---|---|
| English vs. Socialist | -3.08[a] | -1.13 | -2.89[a] | -1.31 | -4.57[a] | 1.87[c] | -1.98[c] | **-3.87[a]** |
| English vs. French | -4.34[a] | -5.61[a] | -5.20[a] | -3.21[a] | -0.41 | -7.07[a] | -3.38[a] | **-7.77[a]** |
| English vs. German | -1.31 | -2.53[b] | -2.29[b] | 0.50 | -0.54 | 0.70 | 0.22 | **-1.74[c]** |
| English vs. Scandinavian | -1.10 | 0.01 | -0.98 | 1.20 | -1.77[c] | 0.42 | 0.72 | **-0.86** |
| Socialist vs. French | -0.78 | -3.14[a] | -0.57 | -1.27 | 3.38[a] | -7.00[a] | -0.94 | **-2.49[b]** |
| Socialist vs. German | 1.71 | -1.68 | -0.28 | 1.31 | 4.12[a] | -0.57 | 1.29 | **1.10** |
| Socialist vs. Scandinavian | 1.90[c] | 0.65 | 0.80 | 2.07[c] | 1.36 | -0.76 | 1.57 | **1.93[c]** |
| French vs. German | 0.98 | 0.35 | 0.00 | 1.81[c] | -0.24 | 4.09[a] | 1.56 | **2.37[b]** |
| French vs. Scandinavian | 0.99 | 2.44[b] | 1.63 | 2.23[b] | -1.25 | 3.55[a] | 1.72[c] | **2.82[a]** |
| German vs. Scandinavian | 0.13 | 1.48 | 1.06 | 0.59 | -1.51 | -0.21 | 0.39 | **1.04** |

a=significant at 1 percent level; b=significant at 5 percent level; c=significant at 10 percent level.

## Table IIB
## Collection of a check

This table classifies countries by legal origin and shows the professionals vs. laymen, written vs. oral elements, legal justification, statutory regulation of evidence, control of superior review, and engagement formalities indices, and the normalized number of independent procedural actions for the case of collection of a check. All variables are described in Table I and the data can be found at http://iicg.som.yale.edu/.

| | Professionals vs. laymen | Written vs. oral elements | Legal justification | Statutory regulation of evidence | Control of superior review | Engagement formalities | Independent procedural actions | Formalism index |
|---|---|---|---|---|---|---|---|---|
| *English legal origin* | | | | | | | | |
| Anguilla | 0.00 | 0.38 | 0.33 | 0.13 | 1.00 | 0.00 | 0.13 | **1.96** |
| Australia | 0.00 | 0.50 | 0.33 | 0.25 | 0.67 | 0.00 | 0.05 | **1.80** |
| Bahrain | 0.33 | 0.75 | 1.00 | 0.75 | 1.00 | 0.33 | 0.24 | **4.40** |
| Bangladesh | 0.67 | 0.63 | 0.67 | 0.13 | 1.00 | 0.00 | 0.16 | **3.24** |
| Barbados | 0.33 | 0.38 | 0.33 | 0.25 | 0.67 | 0.33 | 0.08 | **2.37** |
| Belize | 0.00 | 0.38 | 0.00 | 0.38 | 0.67 | 0.00 | 0.00 | **1.42** |
| Bermuda | 0.33 | 0.38 | 0.00 | 0.25 | 0.33 | 0.33 | 0.16 | **1.78** |
| Botswana | 0.67 | 0.75 | 0.67 | 0.38 | 0.67 | 0.67 | 0.29 | **4.08** |
| BVI | 0.33 | 0.38 | 0.00 | 0.38 | 1.00 | 0.33 | 0.11 | **2.52** |
| Canada | 0.33 | 0.50 | 0.00 | 0.38 | 0.67 | 0.00 | 0.21 | **2.09** |
| Cayman | 0.67 | 0.63 | 0.33 | 0.25 | 0.67 | 0.00 | 0.21 | **2.75** |
| Cyprus | 0.67 | 0.63 | 0.67 | 0.38 | 0.67 | 0.33 | 0.34 | **3.68** |
| Ghana | 0.67 | 0.50 | 0.00 | 0.50 | 0.33 | 0.33 | 0.32 | **2.65** |
| Gibraltar | 0.67 | 0.75 | 0.33 | 0.13 | 0.33 | 0.00 | 0.18 | **2.39** |
| Grenada | 0.33 | 0.38 | 0.67 | 0.38 | 0.67 | 0.33 | 0.05 | **2.80** |
| Hong Kong | 0.00 | 0.63 | 0.00 | 0.00 | 0.00 | 0.00 | 0.11 | **0.73** |
| India | 0.67 | 0.63 | 1.00 | 0.38 | 0.33 | 0.00 | 0.34 | **3.34** |
| Ireland | 0.67 | 0.57 | 0.33 | 0.13 | 0.67 | 0.00 | 0.26 | **2.63** |
| Israel | 0.33 | 0.88 | 0.67 | 0.50 | 0.67 | 0.00 | 0.26 | **3.30** |
| Jamaica | 0.67 | 0.38 | 0.33 | 0.25 | 0.67 | 0.00 | 0.05 | **2.34** |
| Kenya | 0.67 | 0.63 | 0.33 | 0.38 | 0.67 | 0.00 | 0.42 | **3.09** |
| Malawi | 0.67 | 0.63 | 0.33 | 0.25 | 0.67 | 0.33 | 0.08 | **2.95** |
| Malaysia | 0.33 | 0.50 | 0.00 | 0.50 | 0.67 | 0.00 | 0.34 | **2.34** |
| Namibia | 0.67 | 0.63 | 0.67 | 0.38 | 1.00 | 0.33 | 0.16 | **3.82** |
| New Zealand | 0.00 | 0.50 | 0.33 | 0.00 | 0.67 | 0.00 | 0.08 | **1.58** |
| Nigeria | 0.33 | 0.63 | 0.33 | 0.38 | 0.67 | 0.33 | 0.53 | **3.19** |
| Pakistan | 0.67 | 0.63 | 0.67 | 0.25 | 1.00 | 0.00 | 0.55 | **3.76** |
| Singapore | 0.33 | 0.38 | 0.00 | 0.50 | 0.67 | 0.33 | 0.29 | **2.50** |
| South Africa | 0.00 | 0.38 | 0.33 | 0.25 | 0.67 | 0.00 | 0.05 | **1.68** |
| Sri Lanka | 0.67 | 0.86 | 0.67 | 0.38 | 1.00 | 0.00 | 0.21 | **3.78** |
| St. Vincent | 1.00 | 0.43 | 0.67 | 0.38 | 0.67 | 0.33 | 0.16 | **3.63** |
| Swaziland | 0.67 | 0.63 | 1.00 | 0.25 | 1.00 | 0.00 | 0.16 | **3.70** |
| Tanzania | 0.67 | 0.86 | 0.67 | 0.50 | 0.67 | 0.33 | 0.13 | **3.82** |
| Thailand | 0.33 | 0.50 | 0.67 | 0.38 | 0.67 | 0.33 | 0.26 | **3.14** |
| Trinidad & Tobago | 0.33 | 0.63 | 0.00 | 0.25 | 0.33 | 0.00 | 0.26 | **1.80** |
| Turks and Caicos | 0.00 | 0.25 | 0.00 | 0.38 | 1.00 | 0.00 | 0.24 | **1.86** |
| UAE | 1.00 | 0.88 | 1.00 | 0.13 | 0.33 | 0.00 | 0.47 | **3.81** |
| Uganda | 0.00 | 0.71 | 0.67 | 0.38 | 0.67 | 0.00 | 0.18 | **2.61** |
| United Kingdom | 0.67 | 0.71 | 0.33 | 0.13 | 0.67 | 0.00 | 0.08 | **2.58** |
| USA | 0.33 | 0.75 | 0.33 | 0.13 | 1.00 | 0.00 | 0.08 | **2.62** |
| Zambia | 0.00 | 0.57 | 0.33 | 0.38 | 0.67 | 0.00 | 0.18 | **2.13** |
| Zimbabwe | 0.33 | 0.63 | 0.67 | 0.38 | 0.67 | 0.33 | 0.11 | **3.11** |
| **Mean** | **0.43** | **0.58** | **0.42** | **0.31** | **0.68** | **0.13** | **0.20** | **2.76** |
| *Socialist legal origin* | | | | | | | | |
| Bulgaria | 0.67 | 0.88 | 1.00 | 0.25 | 1.00 | 0.33 | 0.45 | **4.57** |
| China | 0.67 | 0.75 | 0.33 | 0.38 | 1.00 | 0.00 | 0.29 | **3.41** |
| Croatia | 0.67 | 0.75 | 1.00 | 0.25 | 0.67 | 0.00 | 0.29 | **3.62** |
| Czech Republic | 0.67 | 0.83 | 1.00 | 0.38 | 1.00 | 0.00 | 0.18 | **4.06** |
| Estonia | 0.67 | 0.75 | 1.00 | 0.38 | 1.00 | 0.33 | 0.24 | **4.36** |
| Georgia | 0.67 | 0.63 | 0.67 | 0.25 | 0.67 | 0.00 | 0.21 | **3.09** |
| Hungary | 0.67 | 0.75 | 0.67 | 0.13 | 1.00 | 0.00 | 0.21 | **3.42** |
| Kazakhstan | 0.67 | 0.75 | 0.67 | 0.50 | 1.00 | 0.33 | 0.84 | **4.76** |
| Latvia | 0.67 | 0.63 | 1.00 | 0.38 | 1.00 | 0.00 | 0.26 | **3.93** |
| Lithuania | 0.67 | 0.75 | 1.00 | 0.50 | 1.00 | 0.00 | 0.55 | **4.47** |
| Poland | 0.67 | 0.88 | 1.00 | 0.38 | 1.00 | 0.00 | 0.24 | **4.15** |
| Romania | 0.67 | 0.75 | 1.00 | 0.50 | 1.00 | 0.00 | 0.50 | **4.42** |
| Russia | 0.67 | 0.50 | 0.67 | 0.38 | 1.00 | 0.00 | 0.18 | **3.39** |
| Slovenia | 0.67 | 0.75 | 1.00 | 0.50 | 1.00 | 0.00 | 0.34 | **4.26** |
| Ukraine | 0.67 | 0.75 | 0.33 | 0.63 | 1.00 | 0.00 | 0.29 | **3.66** |
| Vietnam | 0.67 | 0.50 | 0.33 | 0.25 | 1.00 | 0.00 | 0.50 | **3.25** |
| **Mean** | **0.67** | **0.72** | **0.79** | **0.38** | **0.96** | **0.06** | **0.35** | **3.93** |
| *French legal origin* | | | | | | | | |
| Argentina | 1.00 | 1.00 | 1.00 | 0.13 | 1.00 | 0.67 | 0.61 | **5.40** |
| Belgium | 0.33 | 0.75 | 0.33 | 0.13 | 0.67 | 0.33 | 0.18 | **2.73** |
| Bolivia | 1.00 | 1.00 | 0.67 | 0.38 | 1.00 | 1.00 | 0.71 | **5.75** |
| Brazil | 0.33 | 0.50 | 1.00 | 0.38 | 0.67 | 0.00 | 0.18 | **3.06** |
| Chile | 1.00 | 0.75 | 0.67 | 0.50 | 0.67 | 0.67 | 0.32 | **4.57** |
| Colombia | 0.67 | 1.00 | 1.00 | 0.38 | 0.00 | 0.33 | 0.74 | **4.11** |
| Costa Rica | 1.00 | 1.00 | 1.00 | 0.50 | 1.00 | 0.67 | 0.32 | **5.48** |
| Cote D'Ivoire | 0.67 | 0.63 | 0.67 | 0.13 | 0.67 | 0.67 | 0.24 | **3.65** |
| Dominican Republic | 0.33 | 0.75 | 0.67 | 0.38 | 1.00 | 0.67 | 0.29 | **4.08** |

| | Professionals vs. laymen | Written vs. oral elements | Legal justification | Statutory regulation of evidence | Control of superior review | Engagement formalities | Independent procedural actions | Formalism index |
|---|---|---|---|---|---|---|---|---|
| Ecuador | 1.00 | 1.00 | 0.67 | 0.63 | 0.67 | 0.33 | 0.63 | **4.92** |
| Egypt | 1.00 | 0.75 | 1.00 | 0.50 | 0.00 | 0.33 | 0.21 | **3.79** |
| El Salvador | 0.33 | 0.88 | 1.00 | 0.88 | 0.67 | 0.67 | 0.18 | **4.60** |
| France | 0.33 | 0.75 | 1.00 | 0.13 | 0.33 | 0.67 | 0.03 | **3.23** |
| Greece | 0.67 | 1.00 | 1.00 | 0.50 | 0.00 | 0.67 | 0.16 | **3.99** |
| Guatemala | 1.00 | 1.00 | 1.00 | 0.75 | 1.00 | 0.67 | 0.26 | **5.68** |
| Honduras | 0.67 | 1.00 | 1.00 | 0.63 | 0.67 | 0.33 | 0.61 | **4.90** |
| Indonesia | 0.33 | 0.88 | 0.67 | 0.50 | 0.67 | 0.33 | 0.53 | **3.90** |
| Italy | 0.67 | 0.86 | 1.00 | 0.00 | 0.67 | 0.67 | 0.18 | **4.04** |
| Jordan | 0.67 | 0.75 | 0.67 | 0.50 | 0.00 | 0.33 | 0.61 | **3.52** |
| Kuwait | 0.67 | 0.88 | 0.67 | 0.13 | 0.67 | 0.67 | 0.21 | **3.88** |
| Lebanon | 1.00 | 0.75 | 0.67 | 0.63 | 1.00 | 0.33 | 0.47 | **4.85** |
| Luxembourg | 0.33 | 0.71 | 0.67 | 0.50 | 1.00 | 0.00 | 0.34 | **3.56** |
| Malta | 0.00 | 0.63 | 0.33 | 0.38 | 0.67 | 0.33 | 0.11 | **2.44** |
| Mexico | 0.33 | 0.88 | 1.00 | 0.50 | 0.67 | 0.33 | 1.00 | **4.71** |
| Monaco | 0.33 | 0.71 | 0.33 | 0.25 | 0.33 | 0.67 | 0.11 | **2.74** |
| Morocco | 1.00 | 1.00 | 0.67 | 0.50 | 0.67 | 0.67 | 0.21 | **4.71** |
| Mozambique | 0.67 | 0.75 | 1.00 | 0.50 | 0.67 | 0.67 | 0.24 | **4.49** |
| Netherlands | 0.33 | 0.63 | 0.67 | 0.13 | 0.67 | 0.33 | 0.32 | **3.07** |
| Netherlands Antilles | 0.67 | 0.88 | 0.33 | 0.25 | 0.33 | 0.00 | 0.39 | **2.85** |
| Panama | 1.00 | 1.00 | 1.00 | 0.25 | 1.00 | 0.67 | 0.92 | **5.84** |
| Paraguay | 1.00 | 1.00 | 1.00 | 0.63 | 0.67 | 0.67 | 0.95 | **5.91** |
| Peru | 1.00 | 0.88 | 1.00 | 0.38 | 1.00 | 0.67 | 0.68 | **5.60** |
| Philippines | 1.00 | 1.00 | 1.00 | 0.50 | 0.33 | 0.67 | 0.50 | **5.00** |
| Portugal | 0.67 | 0.75 | 1.00 | 0.50 | 0.67 | 0.00 | 0.34 | **3.93** |
| Senegal | 0.67 | 0.88 | 0.67 | 0.63 | 0.67 | 0.67 | 0.55 | **4.72** |
| Spain | 1.00 | 1.00 | 1.00 | 0.63 | 0.67 | 0.67 | 0.29 | **5.25** |
| Tunisia | 0.67 | 1.00 | 0.67 | 0.25 | 0.67 | 0.67 | 0.13 | **4.05** |
| Turkey | 0.00 | 1.00 | 0.67 | 0.63 | 0.00 | 0.00 | 0.24 | **2.53** |
| Uruguay | 1.00 | 0.50 | 0.67 | 0.13 | 0.67 | 0.33 | 0.76 | **4.05** |
| Venezuela | 1.00 | 1.00 | 1.00 | 0.50 | 1.00 | 0.67 | 0.84 | **6.01** |
| **Mean** | **0.68** | **0.85** | **0.80** | **0.42** | **0.63** | **0.49** | **0.41** | **4.29** |
| *German legal origin* | | | | | | | | |
| Austria | 0.67 | 0.86 | 1.00 | 0.38 | 0.33 | 0.00 | 0.29 | **3.52** |
| Germany | 0.33 | 0.88 | 1.00 | 0.50 | 0.67 | 0.00 | 0.13 | **3.51** |
| Japan | 0.33 | 0.88 | 0.67 | 0.25 | 0.67 | 0.00 | 0.18 | **2.98** |
| Korea | 0.67 | 0.88 | 0.33 | 0.13 | 0.67 | 0.33 | 0.37 | **3.37** |
| Switzerland | 0.67 | 0.63 | 0.67 | 0.38 | 0.33 | 0.33 | 0.13 | **3.13** |
| Taiwan | 0.33 | 0.50 | 0.67 | 0.38 | 0.33 | 0.00 | 0.16 | **2.37** |
| **Mean** | **0.50** | **0.77** | **0.72** | **0.33** | **0.50** | **0.11** | **0.21** | **3.15** |
| *Scandinavian legal origin* | | | | | | | | |
| Denmark | 0.33 | 0.63 | 0.00 | 0.13 | 1.00 | 0.33 | 0.13 | **2.55** |
| Finland | 0.67 | 0.63 | 0.67 | 0.25 | 0.67 | 0.00 | 0.26 | **3.14** |
| Iceland | 0.67 | 0.63 | 1.00 | 0.38 | 1.00 | 0.33 | 0.13 | **4.13** |
| Norway | 0.33 | 0.75 | 0.67 | 0.13 | 1.00 | 0.00 | 0.08 | **2.95** |
| Sweden | 0.67 | 0.75 | 0.33 | 0.25 | 0.67 | 0.00 | 0.32 | **2.98** |
| **Mean** | **0.53** | **0.68** | **0.53** | **0.23** | **0.87** | **0.13** | **0.18** | **3.15** |
| **Mean for all countries** | **0.57** | **0.71** | **0.64** | **0.36** | **0.70** | **0.25** | **0.30** | **3.53** |

*Tests of means (t-stats)*

| | Professionals vs. laymen | Written vs. oral elements | Legal justification | Statutory regulation of evidence | Control of superior review | Engagement formalities | Independent procedural actions | Formalism index |
|---|---|---|---|---|---|---|---|---|
| English vs. Socialist | -3.29[a] | -3.38[a] | -4.19[a] | -1.55 | -4.53[a] | 1.45 | -3.38[a] | **-5.24[a]** |
| English vs. French | -3.85[a] | -7.97[a] | -6.29[a] | -2.71[a] | 0.82 | -7.42[a] | -4.63[a] | **-7.52[a]** |
| English vs. German | -0.59 | -2.73[a] | -2.25[b] | -0.37 | 1.84[c] | 0.30 | -0.11 | **-1.12** |
| English vs. Scandinavian | -0.79 | -1.35 | -0.75 | 1.22 | -1.70[c] | 0.02 | 0.33 | **-1.03** |
| Socialist vs. French | -0.21 | -3.05[a] | -0.12 | -0.74 | 4.07[a] | -6.47[a] | -0.92 | **-1.36** |
| Socialist vs. German | 3.81[a] | -0.73 | 0.55 | 0.67 | 7.13[a] | -0.70 | 1.78[c] | **3.23[a]** |
| Socialist vs. Scandinavian | 3.11[a] | 0.93 | 1.71 | 2.35[b] | 1.36 | -0.95 | 1.95[c] | **2.81[b]** |
| French vs. German | 1.40 | 1.24 | 0.78 | 0.96 | 1.02 | 3.58[a] | 1.88[c] | **2.72[a]** |
| French vs. Scandinavian | 1.05 | 2.55[b] | 2.32[b] | 2.05[b] | -1.64 | 3.09[a] | 1.94[c] | **2.45[b]** |
| German vs .Scandinavian | -0.30 | 1.17 | 0.99 | 1.51 | -3.32[a] | -0.21 | 0.44 | **-0.02** |

a=significant at 1 percent level; b=significant at 5 percent level; c=significant at 10 percent level.

**Table III**
**Correlations of formalism index and its components**

| Indices | Formalism index | Professionals vs. laymen | Written vs. oral elements | Legal justification | Statutory regulation of evidence | Control of superior review | Engagement formalities | Independent procedural actions |
|---|---|---|---|---|---|---|---|---|
| *Panel A: Eviction* | | | | | | | | |
| Professionals vs. laymen | 0.6420[a] | 1.0000 | | | | | | |
| Written vs. oral elements | 0.6614[a] | 0.3073[c] | 1.0000 | | | | | |
| Legal justification | 0.6840[a] | 0.2598 | 0.3976[a] | 1.0000 | | | | |
| Statutory regulation of evidence | 0.4161[a] | 0.1471 | 0.2390 | 0.2049 | 1.0000 | | | |
| Control of superior review | 0.4573[a] | 0.2342 | 0.1009 | 0.2121 | 0.0090 | 1.0000 | | |
| Engagement formalities | 0.5988[a] | 0.2349 | 0.4041[a] | 0.2795 | 0.1995 | 0.0037 | 1.0000 | |
| Independent procedural actions | 0.5353[a] | 0.3952[a] | 0.3858[a] | 0.1799 | 0.1546 | 0.1110 | 0.1713 | 1.0000 |
| *Panel B: Check* | | | | | | | | |
| Professionals vs. laymen | 0.7625[a] | 1.0000 | | | | | | |
| Written vs. oral elements | 0.7305[a] | 0.5090[a] | 1.0000 | | | | | |
| Legal justification | 0.7573[a] | 0.4921[a] | 0.6083[a] | 1.0000 | | | | |
| Statutory regulation of evidence | 0.4800[a] | 0.1845 | 0.3052[c] | 0.3184[b] | 1.0000 | | | |
| Control of superior review | 0.3264[b] | 0.1255 | -0.0439 | 0.1051 | 0.0316 | 1.0000 | | |
| Engagement formalities | 0.6125[a] | 0.4082[a] | 0.4391[a] | 0.2977[c] | 0.2296 | -0.0296 | 1.0000 | |
| Independent procedural actions | 0.6517[a] | 0.4836[a] | 0.4538[a] | 0.3406[b] | 0.2869 | 0.0957 | 0.2909[c] | 1.0000 |
| *Panel C: Correlations between eviction and check indices* | | | | | | | | |
| Formalism index | 0.8257[a] | | | | | | | |
| Professionals vs. laymen | | 0.5229[a] | | | | | | |
| Written vs. oral elements | | | 0.7054[a] | | | | | |
| Legal justification | | | | 0.7502[a] | | | | |
| Statutory regulation of evidence | | | | | 0.9086[a] | | | |
| Control of superior review | | | | | | 0.7866[a] | | |
| Engagement formalities | | | | | | | 0.8126[a] | |
| Independent procedural actions | | | | | | | | 0.8575[a] |

a=significant at 1 percent level; b=significant at 5 percent level; c=significant at 10 percent level

# Table IV
# Indices regressions

Ordinary least squares regressions of the cross-section of countries. The dependent variables are the indices of formalism and their component. Robust standard errors in parentheses. All variables are described in Table I and the data can be found at http://iicg.som.yale.edu/.

| Dependent variables: | Log GNP per capita | Socialist legal origin | French legal origin | German legal origin | Scandinavian legal origin | Constant | N [R²] |
|---|---|---|---|---|---|---|---|
| | | | *Independent variables:* | | | | |
| | | | *Panel A: Eviction of a tenant* | | | | |
| Formalism index | -0.1254[b] (0.0489) | 0.7437[a] (0.1791) | 1.3681[a] (0.1712) | 0.7842[a] (0.2257) | 0.5729[b] (0.2677) | 4.0386[a] (0.3789) | 109 [0.44] |
| Professionals vs. laymen | -0.0115 (0.0180) | 0.1843[a] (0.0387) | 0.2410[a] (0.0562) | 0.1556[b] (0.0744) | 0.1482[c] (0.0851) | 0.5697[a] (0.1469) | 109 [0.20] |
| Written vs. oral elements | -0.0047 (0.0102) | 0.0435 (0.0395) | 0.1887[a] (0.0342) | 0.1714[b] (0.0774) | 0.0092 (0.0790) | 0.6644[a] (0.0865) | 109 [0.26] |
| Legal justification | 0.0057 (0.0216) | 0.2710[a] (0.0902) | 0.3092[a] (0.0602) | 0.2991[b] (0.1273) | 0.1306 (0.1203) | 0.4769[a] (0.1776) | 109 [0.22] |
| Statutory regulation of evidence | -0.0435[a] (0.0102) | 0.0274 (0.0357) | 0.1171[a] (0.0333) | 0.0489 (0.0660) | 0.0169 (0.0524) | 0.6557[a] (0.0808) | 109 [0.26] |
| Control of superior review | -0.0276 (0.0171) | 0.2768[a] (0.0464) | 0.0263 (0.0617) | 0.1053 (0.0736) | 0.2585[a] (0.0931) | 0.8914[a] (0.1410) | 109 [0.17] |
| Engagement formalities | -0.0218 (0.0141) | -0.1239[b] (0.0571) | 0.3514[a] (0.0497) | -0.0242 (0.0772) | 0.0049 (0.0876) | 0.3520[a] (0.1190) | 109 [0.46] |
| Independent procedural actions | -0.0221[b] (0.0107) | 0.0647 (0.0424) | 0.1343[a] (0.0398) | 0.0281 (0.0520) | 0.0045 (0.0640) | 0.4285[a] (0.0909) | 109 [0.17] |
| | | | *Panel B: Check collection* | | | | |
| Formalism index | -0.2072[a] (0.0501) | 1.0579[a] (0.1915) | 1.5422[a] (0.1922) | 0.7622[a] (0.2464) | 0.8339[a] (0.2977) | 4.4465[a] (0.4042) | 109 [0.48] |
| Professionals vs. laymen | -0.0420[b] (0.0185) | 0.2154[a] (0.0462) | 0.2568[a] (0.0656) | 0.1473 (0.0899) | 0.1939[b] (0.0952) | 0.7712[a] (0.1555) | 109 [0.21] |
| Written vs. oral elements | -0.0162 (0.0099) | 0.1386[a] (0.0373) | 0.2751[a] (0.0343) | 0.2207[a] (0.0726) | 0.1330[a] (0.0467) | 0.7090[a] (0.0767) | 109 [0.42] |
| Legal justification | -0.0328[c] (0.0193) | 0.3533[a] (0.0852) | 0.3809[a] (0.0586) | 0.3609[a] (0.1191) | 0.1824 (0.1684) | 0.6884[a] (0.1615) | 109 [0.32] |
| Statutory regulation of evidence | -0.0402[a] (0.0115) | 0.0437 (0.0398) | 0.1080[a] (0.0372) | 0.0965 (0.0656) | 0.0009 (0.0557) | 0.6376[a] (0.0915) | 109 [0.20] |
| Control of superior review | -0.0131 (0.0169) | 0.2687[a] (0.0456) | -0.0486 (0.0615) | -0.1589[c] (0.0864) | 0.2119[b] (0.0940) | 0.7893[a] (0.1357) | 109 [0.21] |
| Engagement formalities | -0.0262[c] (0.0138) | -0.0866[c] (0.0446) | 0.3580[a] (0.0482) | 0.0235 (0.0745) | 0.0540 (0.0852) | 0.3485[a] (0.1175) | 109 [0.47] |
| Independent procedural actions | -0.0366[a] (0.0120) | 0.1247[b] (0.0478) | 0.2120[a] (0.0453) | 0.0723[c] (0.0429) | 0.0576 (0.0495) | 0.5025[a] (0.1039) | 109 [0.26] |

a=significant at 1 percent level; b=significant at 5 percent level; c=significant at 10 percent level

# Table V
# Duration in practice

This table classifies countries by legal origin and shows the duration in practice for both eviction and check collection. All variables are described in Table I and the data can be found at http://iicg.som.yale.edu/.

| By legal origin | Eviction of a tenant | | | | Check collection | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| | Duration until completion of service of process | Duration of trial | Duration of enforcement | Total duration | Duration until completion of service of | Duration of trial | Duration of enforcement | Total duration |
| *English legal origin* | | | | | | | | |
| Anguilla | 1 | 60 | 30 | 91 | 1 | 30 | 7 | 38 |
| Australia | 3 | 35 | 6 | 44 | 25 | 160 | 135 | 320 |
| Bahrain | 41 | 120 | 224 | 385 | 54 | 114 | 200 | 368 |
| Bangladesh | 30 | 180 | 180 | 390 | 30 | 180 | 60 | 270 |
| Barbados | 4 | 67 | 21 | 92 | 2 | 49 | 60 | 111 |
| Belize | 30 | 15 | 14 | 59 | 30 | 15 | 15 | 60 |
| Bermuda | 4 | 25 | 21 | 50 | 4 | 100 | 21 | 125 |
| Botswana | 14 | 42 | 7 | 63 | 14 | 42 | 21 | 77 |
| BVI | 2 | 42 | 14 | 58 | 42 | 21 | 120 | 183 |
| Canada | 5 | 21 | 17 | 43 | 21 | 250 | 150 | 421 |
| Cayman | 30 | 136 | 14 | 180 | 30 | 60 | 30 | 120 |
| Cyprus | 60 | 120 | 180 | 360 | 60 | 120 | 180 | 360 |
| Ghana | 20 | 140 | 90 | 250 | 20 | 52 | 18 | 90 |
| Gibraltar | 160 | 50 | 14 | 224 | 160 | 50 | 14 | 224 |
| Grenada | 15 | 90 | 75 | 180 | 8 | 90 | 30 | 128 |
| Hong Kong | 7 | 35 | 150 | 192 | 7 | 40 | 14 | 61 |
| India | 142 | 24 | 46 | 212 | 7 | 53 | 46 | 106 |
| Ireland | 11 | 60 | 50 | 121 | 11 | 60 | 60 | 130 |
| Israel | 3 | 272 | 135 | 410 | 60 | 120 | 135 | 315 |
| Jamaica | 45 | 46 | 14 | 105 | 45 | 87 | 70 | 202 |
| Kenya | 12 | 122 | 121 | 255 | 12 | 122 | 121 | 255 |
| Malawi | 3 | 30 | 2 | 35 | 3 | 90 | 15 | 108 |
| Malaysia | 60 | 90 | 120 | 270 | 15 | 15 | 60 | 90 |
| Namibia | 11 | 25 | 83 | 118 | 11 | 25 | 83 | 118 |
| New Zealand | 10 | 40 | 30 | 80 | 10 | 30 | 20 | 60 |
| Nigeria | 32 | 126 | 208 | 366 | 81 | 100 | 60 | 241 |
| Pakistan | 60 | 245 | 60 | 365 | 60 | 185 | 120 | 365 |
| Singapore | 9 | 40 | 11 | 60 | 11 | 18 | 19 | 47 |
| South Africa | 10 | 189 | 10 | 209 | 10 | 60 | 14 | 84 |
| Sri Lanka | 90 | 440 | 200 | 730 | 60 | 200 | 180 | 440 |
| St. Vincent | 3 | 302 | 30 | 335 | 3 | 22 | 10 | 35 |
| Swaziland | 5 | 28 | 7 | 40 | 5 | 28 | 7 | 40 |
| Tanzania | 7 | 180 | 30 | 217 | 7 | 90 | 30 | 127 |
| Thailand | 30 | 510 | 90 | 630 | 30 | 90 | 90 | 210 |
| Trinidad & Tobago | 54 | 103 | 35 | 192 | 51 | 101 | 42 | 194 |
| Turks and Caicos | 14 | 100 | 60 | 174 | 14 | 30 | 30 | 74 |
| UAE | 14 | 180 | 90 | 285 | 14 | 365 | 180 | 559 |
| Uganda | 1 | 7 | 21 | 29 | 14 | 40 | 45 | 99 |
| United Kingdom | 14 | 73 | 28 | 115 | 14 | 73 | 14 | 101 |
| USA | 6 | 33 | 10 | 49 | 23 | 17 | 14 | 54 |
| Zambia | 14 | 90 | 7 | 111 | 14 | 120 | 54 | 188 |
| Zimbabwe | 8 | 180 | 9 | 197 | 8 | 180 | 9 | 197 |
| **Mean** | **26** | **112** | **61** | **199** | **26** | **88** | **62** | **176** |
| *Socialist legal origin* | | | | | | | | |
| Bulgaria | 60 | 450 | 150 | 660 | 10 | 250 | 150 | 410 |
| China | 15 | 105 | 60 | 180 | 15 | 120 | 45 | 180 |
| Croatia | 60 | 180 | 90 | 330 | 60 | 180 | 90 | 330 |
| Czech Republic | 60 | 90 | 180 | 330 | 30 | 60 | 180 | 270 |
| Estonia | 59 | 136 | 110 | 305 | 59 | 136 | 110 | 305 |
| Georgia | 30 | 60 | 90 | 180 | 30 | 60 | 90 | 180 |
| Hungary | 90 | 185 | 90 | 365 | 90 | 185 | 90 | 365 |
| Kazakhstan | 10 | 50 | 60 | 120 | 10 | 50 | 60 | 120 |
| Latvia | 27 | 41 | 11 | 79 | 28 | 41 | 120 | 189 |
| Lithuania | 30 | 90 | 30 | 150 | 30 | 60 | 60 | 150 |
| Poland | 90 | 720 | 270 | 1080 | 90 | 730 | 180 | 1000 |
| Romania | 30 | 140 | 103 | 273 | 30 | 105 | 90 | 225 |
| Russia | 10 | 90 | 30 | 130 | 10 | 90 | 60 | 160 |
| Slovenia | 133 | 510 | 360 | 1003 | 133 | 510 | 360 | 1003 |
| Ukraine | 14 | 90 | 120 | 224 | 14 | 90 | 120 | 224 |
| Vietnam | 35 | 55 | 60 | 150 | 35 | 35 | 50 | 120 |
| **Mean** | **47** | **187** | **113** | **347** | **42** | **169** | **116** | **327** |
| *French legal origin* | | | | | | | | |
| Argentina | 60 | 300 | 80 | 440 | 20 | 200 | 80 | 300 |
| Belgium | 3 | 60 | 57 | 120 | 0 | 20 | 100 | 120 |

| By legal origin | Eviction of a tenant | | | | Check collection | | | |
|---|---|---|---|---|---|---|---|---|
| | Duration until completion of service of process | Duration of trial | Duration of enforcement | Total duration | Duration until completion of service of | Duration of trial | Duration of enforcement | Total duration |
| Bolivia | 14 | 60 | 20 | 94 | 14 | 360 | 90 | 464 |
| Brazil | 30 | 60 | 30 | 120 | 30 | 90 | 60 | 180 |
| Chile | 15 | 200 | 25 | 240 | 15 | 140 | 45 | 200 |
| Colombia | 139 | 279 | 82 | 500 | 165 | 216 | 146 | 527 |
| Costa Rica | 20 | 90 | 30 | 140 | 10 | 180 | 180 | 370 |
| Cote D'Ivoire | 8 | 120 | 2 | 130 | 8 | 82 | 60 | 150 |
| Dominican Republic | 30 | 90 | 90 | 210 | 35 | 90 | 90 | 215 |
| Ecuador | 38 | 40 | 30 | 108 | 38 | 235 | 60 | 333 |
| Egypt | 7 | 180 | 45 | 232 | 7 | 150 | 45 | 202 |
| El Salvador | 45 | 60 | 45 | 150 | 25 | 15 | 20 | 60 |
| France | 16 | 75 | 135 | 226 | 16 | 75 | 90 | 181 |
| Greece | 32 | 35 | 180 | 247 | 180 | 45 | 90 | 315 |
| Guatemala | 10 | 180 | 90 | 280 | 10 | 120 | 90 | 220 |
| Honduras | 15 | 30 | 30 | 75 | 30 | 90 | 105 | 225 |
| Indonesia | 30 | 165 | 30 | 225 | 30 | 165 | 30 | 225 |
| Italy | 0 | 450 | 180 | 630[b] | 0 | 415 | 230 | 645 |
| Jordan | 7 | 100 | 30 | 137 | 7 | 100 | 40 | 147 |
| Kuwait | 3 | 65 | 25 | 93 | 7 | 240 | 110 | 357 |
| Lebanon | 1 | 912 | 60 | 973 | 1 | 540 | 180 | 721 |
| Luxembourg | 20 | 120 | 240 | 380 | 15 | 45 | 150 | 210 |
| Malta | 30 | 610 | 90 | 730 | 30 | 365 | 150 | 545 |
| Mexico | 20 | 60 | 100 | 180 | 33 | 99 | 151 | 283 |
| Monaco | 17 | 86 | 16 | 119 | 24 | 26 | 16 | 66 |
| Morocco | 15 | 365 | 365 | 745 | 15 | 135 | 42 | 192 |
| Mozambique | 30 | 450 | 60 | 540 | 30 | 300 | 210 | 540 |
| Netherlands | 17 | 7 | 28 | 52[b] | 17 | 7 | 15 | 39 |
| Netherlands Antilles | 15 | 70 | 20 | 105 | 20 | 36 | 37 | 93 |
| Panama | 36 | 50 | 48 | 134 | 76 | 86 | 35 | 197 |
| Paraguay | 12 | 50 | 140 | 202 | 25 | 32 | 165 | 222 |
| Peru | 41 | 135 | 70 | 246 | 81 | 135 | 165 | 441 |
| Philippines | 42 | 97 | 25 | 164 | 42 | 97 | 25 | 164 |
| Portugal | 20 | 280 | 30 | 330 | 20 | 280 | 120 | 420 |
| Senegal | 5 | 60 | 90 | 155 | 5 | 150 | 180 | 335 |
| Spain | 60 | 55 | 68 | 183 | 49 | 69 | 29 | 147 |
| Tunisia | 3 | 28 | 2 | 33 | 3 | 1 | 3 | 7 |
| Turkey | 30 | 180 | 90 | 300[b] | 30 | 30 | 45 | 105 |
| Uruguay | 120 | 120 | 90 | 330 | 150 | 120 | 90 | 360 |
| Venezuela | 30 | 300 | 30 | 360 | 30 | 300 | 30 | 360 |
| **Mean** | **27** | **167** | **72** | **266** | **34** | **147** | **90** | **272** |
| | | | | | | | | |
| *German legal origin* | | | | | | | | |
| Austria | 7 | 360 | 180 | 547 | 14 | 270 | 150 | 434 |
| Germany | 29 | 191 | 111 | 331 | 29 | 61 | 64 | 154 |
| Japan | 3 | 350 | 10 | 363 | 3 | 47 | 10 | 60 |
| Korea | 30 | 180 | 93 | 303 | 20 | 40 | 15 | 75 |
| Switzerland | 16 | 180 | 70 | 266 | 59 | 75 | 90 | 224 |
| Taiwan | 30 | 120 | 180 | 330 | 30 | 60 | 120 | 210 |
| **Mean** | **19** | **230** | **107** | **357** | **26** | **92** | **75** | **193** |
| | | | | | | | | |
| *Scandinavian legal origin* | | | | | | | | |
| Denmark | 20 | 180 | 25 | 225 | 15 | 40 | 28 | 83 |
| Finland | 15 | 70 | 35 | 120 | 35 | 145 | 60 | 240 |
| Iceland | 22 | 12 | 30 | 64 | 71 | 105 | 75 | 251 |
| Norway | 7 | 300 | 58 | 365 | 7 | 50 | 30 | 87 |
| Sweden | 6 | 135 | 19 | 160 | 6 | 165 | 19 | 190 |
| **Mean** | **14** | **139** | **33** | **187** | **27** | **101** | **42** | **170** |
| | | | | | | | | |
| **Mean for all countries** | **29** | **151** | **74** | **254** | **31** | **122** | **80** | **234** |
| | | | | | | | | |
| *Tests of means (t-stats)* | | | | | | | | |
| English vs. Socialist | -2.05[b] | -1.84[c] | -2.46[b] | -2.42[b] | -1.74[c] | -2.37[b] | -2.91[a] | -2.85[a] |
| English vs. French | -0.16 | -1.66 | -0.77 | -1.64 | -0.93 | -2.66[a] | -2.16[b] | -2.94[a] |
| English vs. German | 0.47 | -2.49[b] | -1.65 | -2.36[b] | 0.03 | -0.13 | -0.52 | -0.30 |
| English vs. Scandinavian | 0.76 | -0.52 | 0.95 | 0.17 | -0.05 | -0.39 | 0.76 | 0.10 |
| Socialist vs. French | 2.23[b] | 0.37 | 1.80[c] | 1.14 | 0.71 | 0.51 | 1.33 | 0.91 |
| Socialist vs. German | 1.90[c] | -0.51 | 0.15 | -0.07 | 1.06 | 0.94 | 1.18 | 1.12 |
| Socialist vs. Scandinavian | 2.08[c] | 0.51 | 1.91[c] | 1.14 | 0.88 | 0.78 | 2.05[c] | 1.23 |
| French vs. German | 0.68 | -0.83 | -1.14 | -1.03 | 0.45 | 1.04 | 0.57 | 1.10 |
| French vs. Scandinavian | 1.03 | 0.33 | 1.23 | 0.83 | 0.35 | 0.82 | 1.72[c] | 1.33 |
| German vs. Scandinavian | 0.82 | 1.43 | 2.44[b] | 2.63[b] | -0.08 | -0.19 | 1.19 | 0.32 |

a=significant at 1 percent level; b=significant at 5 percent level; c=significant at 10 percent level.

**Table VI**
**Outcomes and the formalism index (OLS regressions)**

Ordinary least squares regressions of the cross-section of countries. Robust standard errors in parentheses. All variables are described in Table I and the data can be found at http://iicg.som.yale.edu/.

| Dependent variables: | Log GNP per capita | Formalism index | Ethnic fractionalization | Average yrs. of schooling | Latitude | Constant | N [R²] |
|---|---|---|---|---|---|---|---|
| *Panel A: Eviction of a tenant* | | | | | | | |
| Log of duration | -0.0736 (0.0937) | 0.3012[a] (0.0812) | -0.2202 (0.4766) | 0.0305 (0.0556) | 0.1635 (0.5432) | 4.5593[a] (0.7183) | 91 [0.15] |
| Enforceability of contracts | 0.7728[a] (0.1237) | -0.5648[a] (0.0863) | 1.7036[a] (0.4907) | 0.0755 (0.0612) | 0.7046 (0.5646) | 0.1959 (0.9043) | 50 [0.85] |
| Legal system is fair and impartial | 0.3501[a] (0.1094) | -0.5032[a] (0.0827) | -0.8773[c] (0.5192) | -0.1729[a] (0.0514) | 0.0481 (0.6593) | 4.0479[a] (0.9578) | 60 [0.49] |
| Legal system is honest or uncorrupt | 0.5087[a] (0.1050) | -0.4637[a] (0.0703) | -0.9113[c] (0.4679) | -0.1938[a] (0.0491) | 0.2377 (0.5956) | 2.6552[a] (0.8661) | 60 [0.54] |
| Legal system is affordable | -0.0344 (0.0918) | -0.1374[b] (0.0663) | -0.7111[b] (0.3528) | -0.0953[b] (0.0377) | 0.3681 (0.4174) | 4.6225[a] (0.6865) | 60 [0.26] |
| Legal system is consistent | 0.3379[a] (0.1060) | -0.2847[a] (0.0774) | -0.6666 (0.4376) | -0.1621[a] (0.0466) | 0.3352 (0.5306) | 2.7261[a] (0.8494) | 60 [0.41] |
| Confidence in legal system | 0.3250[a] (0.0999) | -0.1289[c] (0.0758) | -0.4663 (0.4223) | -0.0781[c] (0.0411) | -0.7303 (0.4862) | 2.6542[a] (0.8153) | 60 [0.29] |
| Corruption | 1.5238[a] (0.1365) | -0.6393[a] (0.1189) | -0.2640 (0.5182) | -0.0998 (0.0632) | 0.5314 (0.7226) | -4.5186[a] (0.9537) | 76 [0.87] |
| Law and order | 0.9416[a] (0.2245) | -0.3594[c] (0.2107) | -0.0867 (0.7624) | -0.1632 (0.1048) | 4.4505[a] (1.2861) | 0.1644 (1.9529) | 82 [0.57] |
| *Panel B: Check collection* | | | | | | | |
| Log of duration | -0.0377 (0.0826) | 0.3038[a] (0.0598) | 0.7677 (0.4969) | 0.0693 (0.0599) | 0.0866 (0.4612) | 3.6403[a] (0.6473) | 91 [0.20] |
| Enforceability of contracts | 0.6013[a] (0.1310) | -0.5041[a] (0.0684) | 1.6713[a] (0.4586) | 0.1304[b] (0.0618) | 0.8437 (0.5685) | 0.8848 (0.8835) | 50 [0.86] |
| Legal system is fair and impartial | 0.2567[b] (0.1080) | -0.4415[a] (0.0582) | -1.0089[b] (0.4777) | -0.1522[a] (0.0524) | 0.0171 (0.5951) | 4.4417[a] (0.8833) | 60 [0.52] |
| Legal system is honest or uncorrupt | 0.4258[a] (0.1076) | -0.3950[a] (0.0568) | -1.0105[b] (0.4347) | -0.1756[a] (0.0522) | 0.2284 (0.5504) | 2.9389[a] (0.8239) | 60 [0.55] |
| Legal system is affordable | -0.0564 (0.0940) | -0.1074[b] (0.0497) | -0.7225[b] (0.3493) | -0.0906[b] (0.0388) | 0.3811 (0.4141) | 4.6416[a] (0.6895) | 60 [0.25] |
| Legal system is consistent | 0.2814[b] (0.1071) | -0.2637[a] (0.0539) | -0.7670[c] (0.4261) | -0.1493[a] (0.0485) | 0.2951 (0.4998) | 3.0424[a] (0.8246) | 60 [0.44] |
| Confidence in legal system | 0.2943[a] (0.0996) | -0.1393[b] (0.0530) | -0.5487 (0.4193) | -0.0707[c] (0.0411) | -0.7808 (0.4766) | 2.9304[a] (0.8039) | 60 [0.31] |
| Corruption | 1.4255[a] (0.1494) | -0.4528[a] (0.1077) | -0.2994 (0.5308) | -0.0761 (0.0707) | 0.7321 (0.7556) | -4.6737[a] (1.0804) | 76 [0.85] |
| Law and order | 0.9261[a] (0.2160) | -0.2647 (0.1915) | -0.0359 (0.7375) | -0.1615 (0.1063) | 4.5262[a] (1.2763) | -0.1441 (1.7720) | 82 [0.57] |

a=significant at 1 percent level; b=significant at 5 percent level; c=significant at 10 percent level

**Table VII**
**Outcomes and the formalism index (instrumental variables regressions)**

Instrumental variables regressions of the cross-section of countries using legal origin dummies as instruments for formalism. Errors in parentheses. All variables are described in Table I.

| Dependent variables: | Log GNP per capita | Formalism index | Ethnic fractionalization | Average yrs. of schooling | Latitude | Constant | N |
|---|---|---|---|---|---|---|---|
| | | | Independent variables: | | | | |
| | | | *Panel A: Eviction of a tenant* | | | | |
| Log of duration | -0.0766 | 0.2486[c] | -0.2583 | 0.0276 | 0.1544 | 4.8183[a] | 91 |
| | (0.0935) | (0.1299) | (0.4826) | (0.0551) | (0.5485) | (0.9317) | |
| Enforceability of contracts | 0.7854[a] | -0.7656[a] | 1.6159[a] | 0.0605 | 0.5138 | 1.0620 | 50 |
| | (0.1243) | (0.1586) | (0.5441) | (0.0625) | (0.6369) | (1.1726) | |
| Legal system is fair and impartial | 0.3358[a] | -0.8331[a] | -1.3299[b] | -0.1634[a] | -0.4026 | 5.7299[a] | 60 |
| | (0.1101) | (0.1363) | (0.5368) | (0.0547) | (0.7484) | (1.0021) | |
| Legal system is honest or uncorrupt | 0.4954[a] | -0.7735[a] | -1.3363[a] | -0.1849[a] | -0.1856 | 4.2348[a] | 60 |
| | (0.1067) | (0.1334) | (0.4782) | (0.0523) | (0.6876) | (0.9426) | |
| Legal system is affordable | -0.0367 | -0.1920 | -0.7859[b] | -0.0937[b] | 0.2936 | 4.9006[a] | 60 |
| | (0.0899) | (0.1149) | (0.3867) | (0.0374) | (0.4227) | (0.8735) | |
| Legal system is consistent | 0.3277[a] | -0.5218[a] | -0.9919[b] | -0.1553[a] | 0.0113 | 3.9350[a] | 60 |
| | (0.0981) | (0.1314) | (0.4379) | (0.0470) | (0.5824) | (0.9125) | |
| Confidence in legal system | 0.3170[a] | -0.3149[b] | -0.7214 | -0.0728[c] | -0.9843[c] | 3.6022[a] | 60 |
| | (0.0995) | (0.1212) | (0.4395) | (0.0422) | (0.5335) | (1.0189) | |
| Corruption | 1.5277[a] | -0.9139[a] | -0.4378 | -0.1108[c] | 0.3227 | -3.2976[a] | 76 |
| | (0.1356) | (0.1565) | (0.5586) | (0.0648) | (0.8019) | (1.1151) | |
| Law and order | 0.8983[a] | -0.8432[b] | -0.5352 | -0.1710 | 4.0787[a] | 2.7075 | 82 |
| | (0.2321) | (0.3192) | (0.7586) | (0.1080) | (1.2767) | (2.3042) | |
| | | | *Panel B: Check collection* | | | | |
| Log of duration | -0.0365 | 0.3117[a] | 0.7746 | 0.0697 | 0.0881 | 3.5959[a] | 91 |
| | (0.0862) | (0.1034) | (0.4707) | (0.0587) | (0.4660) | (0.7668) | |
| Enforceability of contracts | 0.5637[a] | -0.6438[a] | 1.5940[a] | 0.1339[b] | 0.7335 | 1.7504 | 50 |
| | (0.1366) | (0.1353) | (0.4977) | (0.0642) | (0.6396) | (1.1637) | |
| Legal system is fair and impartial | 0.1905[c] | -0.6955[a] | -1.4818[a] | -0.1319[b] | -0.3962 | 6.1443[a] | 60 |
| | (0.1100) | (0.1076) | (0.4962) | (0.0571) | (0.6871) | (0.9813) | |
| Legal system is honest or uncorrupt | 0.3610[a] | -0.6436[a] | -1.4733[a] | -0.1558[b] | -0.1761 | 4.6052[a] | 60 |
| | (0.1137) | (0.1118) | (0.4611) | (0.0580) | (0.6635) | (1.0004) | |
| Legal system is affordable | -0.0718 | -0.1664[c] | -0.8323[b] | -0.0859[b] | 0.2851 | 5.0370[a] | 60 |
| | (0.0966) | (0.0950) | (0.4009) | (0.0393) | (0.4301) | (0.9297) | |
| Legal system is consistent | 0.2354[b] | -0.4403[a] | -1.0957[b] | -0.1352[b] | 0.0077 | 4.2260[a] | 60 |
| | (0.1027) | (0.1021) | (0.4338) | (0.0503) | (0.5451) | (0.9241) | |
| Confidence in legal system | 0.2616[b] | -0.2644[a] | -0.7816[c] | -0.0607 | -0.9843[c] | 3.7688[a] | 60 |
| | (0.1067) | (0.0953) | (0.4375) | (0.0436) | (0.5010) | (1.0289) | |
| Corruption | 1.3683[a] | -0.7426[a] | -0.5811 | -0.0775 | 0.5495 | -2.9536[b] | 76 |
| | (0.1565) | (0.1527) | (0.5755) | (0.0761) | (0.8372) | (1.3086) | |
| Law and order | 0.8290[a] | -0.8054[b] | -0.6128 | -0.1701 | 4.1170[a] | 3.0842 | 82 |
| | (0.2209) | (0.3159) | (0.8051) | (0.1097) | (1.3400) | (2.4298) | |

a=significant at 1 percent level; b=significant at 5 percent level; c=significant at 10 percent level

## Table VIII
## Outcomes and incentives (OLS regressions)

Ordinary least squares regressions of the cross-section of countries. The regressions also include log of GNP per capita, ethnic fractionalization, average years of schooling, latitude, and a constant term. Robust standard errors in parentheses. All variables are described in Table I and the data can be found at http://iicg.som.yale.edu/.

| Dependent variables: | Formalism index | Index of mandatory time limits | Quota litis prohibited | Loser pays rule | N [$R^2$] |
|---|---|---|---|---|---|
| | | *Selected independent variables:* | | | |
| | *Panel A: Eviction of a tenant* | | | | |
| Log of duration | 0.4303[a] | -0.6335 | 0.3162[c] | 0.0383 | 91 |
| | (0.1030) | (0.3931) | (0.1768) | (0.1722) | [0.21] |
| Enforceability of contracts | -0.5465[a] | -0.4260 | -0.0642 | 0.1393 | 50 |
| | (0.0965) | (0.4977) | (0.2147) | (0.2278) | [0.86] |
| Legal system is fair and impartial | -0.4019[a] | -0.4282 | 0.0520 | -0.2147 | 60 |
| | (0.1135) | (0.3504) | (0.1550) | (0.1574) | [0.52] |
| Legal system is honest or uncorrupt | -0.3557[a] | -0.5440 | -0.0751 | -0.2704 | 60 |
| | (0.1024) | (0.3527) | (0.1650) | (0.1694) | [0.58] |
| Legal system is affordable | -0.2077[b] | 0.2588 | -0.2991[c] | -0.1124 | 60 |
| | (0.1019) | (0.3326) | (0.1652) | (0.1432) | [0.33] |
| Legal system is consistent | -0.1820[c] | -0.4575 | -0.0045 | -0.2557[c] | 60 |
| | (0.0951) | (0.2974) | (0.1423) | (0.1404) | [0.47] |
| Confidence in legal system | -0.0234 | -0.4047 | -0.0717 | -0.4249[a] | 60 |
| | (0.0882) | (0.3114) | (0.1365) | (0.1386) | [0.43] |
| Corruption | -0.5351[a] | -0.4128 | 0.0527 | -0.1617 | 76 |
| | (0.1670) | (0.6082) | (0.2273) | (0.2230) | [0.87] |
| Law and order | -0.0543 | -1.2233 | 1.1384[a] | 0.3560 | 82 |
| | (0.2562) | (0.7414) | (0.3702) | (0.3745) | [0.64] |
| | *Panel B: Check collection* | | | | |
| Log of duration | 0.3239[a] | -0.1918 | 0.1040 | 0.1054 | 91 |
| | (0.0850) | (0.3328) | (0.1930) | (0.1544) | [0.20] |
| Enforceability of contracts | -0.4557[a] | -0.2515 | -0.0242 | -0.0785 | 50 |
| | (0.0967) | (0.4798) | (0.2259) | (0.2032) | [0.86] |
| Legal system is fair and impartial | -0.2930[a] | -0.8371[a] | 0.0897 | -0.3587[b] | 60 |
| | (0.0735) | (0.2968) | (0.1440) | (0.1490) | [0.61] |
| Legal system is honest or uncorrupt | -0.2870[a] | -0.5676 | -0.0619 | -0.4496[a] | 60 |
| | (0.0799) | (0.3458) | (0.1654) | (0.1666) | [0.62] |
| Legal system is affordable | -0.1394[c] | 0.1677 | -0.2870[c] | -0.1541 | 60 |
| | (0.0755) | (0.3198) | (0.1649) | (0.1392) | [0.31] |
| Legal system is consistent | -0.1683[b] | -0.5283[c] | -0.0081 | -0.3085[b] | 60 |
| | (0.0714) | (0.2909) | (0.1535) | (0.1384) | [0.51] |
| Confidence in legal system | -0.0866 | -0.1780 | -0.1018 | -0.4514[a] | 60 |
| | (0.0710) | (0.3231) | (0.1502) | (0.1277) | [0.43] |
| Corruption | -0.2762[b] | -0.6330 | 0.1550 | -0.5330[b] | 76 |
| | (0.1243) | (0.4452) | (0.2436) | (0.2175) | [0.86] |
| Law and order | 0.1890 | -2.3986[a] | 1.3469[a] | 0.1304 | 82 |
| | (0.2369) | (0.7659) | (0.3783) | (0.3639) | [0.67] |

a=Significant at 1 percent level; b= Significant at 5 percent level; c=Significant at 10 percent level

# Appendix 1. Mapping between the "International Encyclopaedia of Laws – Civil Procedure," and the variables and indices in the paper

This table compares the coverage of all the variables and indices in the paper with the table of contents of the Encyclopedia of Laws – Civil Procedure (French monograph). The first column shows the different parts of the "International Encyclopaedia of Laws-Civil Procedure." The second column gives the names of the variables in the paper that are related to the chapter in the encyclopedia. The last column indicates if the variables in the second column belong to the Formalism Index (FI); to other determinants of judicial efficiency (Other), which are not reported in this version but are available from the authors; or to variables that are outcomes in the paper (Outcomes).

| International Encyclopaedia of Laws – Civil Procedure (France) | Variables in the paper | Indices in the paper |
|---|---|---|
| **Part I. Judicial organization**<br>   1. The courts and their members<br>   2. The bar<br>   3. Law officials | Variable: Professional vs. non-professional judge<br>Variable: Legal representation is mandatory<br>Variable: Service of process by judicial officer required<br>Variable: Notification of judgment by judicial officer required | FI: Professionals vs. laymen<br>FI: Professionals vs. laymen<br>FI: Engagement formalities<br>FI: Engagement formalities |
| **Part II: Jurisdiction**<br>   1. Domestic jurisdiction<br>   2. International jurisdiction | Variable: General jurisdiction court<br>Not covered: Lex Mundi Project analyzed simple local disputes only | FI: Professionals vs. laymen |
| **Part III: Actions and claims**<br>   1. Actions<br><br><br><br>   2. Claims and defenses<br><br>   3. Sanctions and procedural irregularities | Not covered: Right to sue assumed by case facts.<br>     Collective actions outside of scope of Lex mundi Project, which analyzed simple local disputes only.<br>Variables: Filing and opposition<br>Variable: Complaint must be legally justified<br>Variables: Mandatory time limits | <br><br><br><br>FI: Written vs. oral elements<br>FI: Legal justification<br>Other: Mandatory time limits |
| **Part IV: Proceedings**<br>   1. Pre-trial proceedings: Conciliation before trial<br>   2. Proceedings in first instance<br><br><br><br><br><br><br><br><br><br><br><br><br><br><br>   3. Review proceedings (appeal) | Variable: Mandatory pre-trial conciliation<br><br>Variables: Filing, service, opposition, final arguments, judgment, notification of judgment.<br>Variable: Complaint must be legally justified<br>Variable: Judgment must be legally justified<br>Variable: Judgment must be on law (not on equity)<br>Variable: Independent procedural actions for filing and service<br>Variable: Independent procedural actions for trial and judgment<br>Variable: Duration of filing and service<br>Variable: Duration of trial and judgment<br>Variable: Service of process by judicial officer required<br>Variable: Notification of judgment by judicial officer required<br>Variable: Defendant's economic situation is considered at judgment<br>Variable: Enforcement of judgment is automatically suspended until resolution of the appeal<br>Variable: Comprehensive review in appeal<br>Variable: Interlocutory appeals are allowed | FI: Engagement formalities<br><br>FI: Written vs. oral elements<br><br>FI: Legal justification<br>FI: Legal justification<br>FI: Legal justification<br>FI: Independent procedural actions<br>FI: Independent procedural actions<br>Outcomes: Duration in practice<br>Outcomes: Duration in practice<br>FI: Engagement formalities<br>FI: Engagement formalities<br>Other: Defendant protection<br>FI: Control of superior review<br><br>FI: Control of superior review<br>FI: Control of superior review |

| International Encyclopaedia of Laws – Civil Procedure (France) | Variables in the paper | Indices in the paper |
|---|---|---|
| Part V: Incidents | Mostly not covered: Outside standardized facts included in questionnaire | |
| | Variable: Interlocutory appeals are allowed | FI: Control of superior review |
| Part VI: Legal costs and legal aid<br>    1. Legal costs | Variable: Legal representation is mandatory | FI: Professionals vs. laymen |
| | Variable: Attorney fees are fixed or limited by statute, court or administrative regulation | Other: Attorney's incentives |
| | Variable: Most common remuneration of litigation attorneys | Other: Attorney remuneration |
| | Variable: Quota litis or contingent fee agreements | Other: Quota litis |
| | Variable: Looser pays rule | Other: Other determinants |
| | Variable: Fully compensatory interests | Other: Other determinants |
|     2. Legal aid | Variable: Mandatory legal aid available by law or by order of the court | Other: Defendant protection |
| Part VII: Evidence<br>    1. Burden of proof | Variable: Authenticity and weight of evidence defined by law | FI: Statutory regulation of evidence |
| | Variable: Judge has the independent legal obligation to investigate facts | Other: Defendant protection |
|     2. Admissibility of evidence | Variable: Judge can not introduce evidence | FI: Statutory regulation of evidence |
| | Variable: Judge can not reject irrelevant evidence | FI: Statutory regulation of evidence |
| | Variable: Out-of-court statements are inadmissible | FI: Statutory regulation of evidence |
| | Variable: Only original documents and certified copies are admissible | FI: Statutory regulation of evidence |
| | Variable: Mandatory pre-qualification of questions | FI: Statutory regulation of evidence |
|     3. Administration of evidence | Variable: Mandatory recording of evidence | FI: Statutory regulation of evidence |
| | Variable: Oral interrogation only by judge | FI: Statutory regulation of evidence |
| | Variable: Evidence | FI: Written vs. oral elements |
| Part VIII: Particular proceedings | Not covered: Lex Mundi Project covered only eviction and check collection proceedings | |
| Part IX: Enforcement of judgments and preliminary seizure for security<br>    1. Enforcement of domestic judgments | Variable: Independent procedural actions for enforcement of judgment | FI: Independent procedural actions |
| | Variable: Duration of enforcement of judgment | Outcomes: Duration in practice |
| | Variable: Enforcement of judgment. | FI: Written vs. oral elements |
| | Variable: Defendant's economic situation is considered at enforcement of judgment | Other: Defendant protection |
| | Variable: Enforcement of judgment is automatically suspended until resolution of the appeal. | FI: Control of superior review |
| | Variable: Transfer of debtor's property only through public auction | Other: Defendant protection |
| | Variable: Mandatory exclusion of defendant's essential survival assets | Other: Defendant protection |
|     2. Protective measures | Variable: Attachment of debtor's property only after judgment | Other: Defendant protection |
|     3. Recognition and enforcement of foreign judgments | Not covered: Lex Mundi Project analyzed simple local disputes only | |
| Part X: Arbitration | Not covered: Lex Mundi Project focused on judicial procedures | |
| | Variable: Administrative procedures | Other: Other determinants |