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**Timeline**

2017-2020

**Sample Size**

Administrative records from 82 first level courts adopting the eCourt case management system across highly urbanized cities in select judicial regions

**Research Implemented by IPA**

Yes

# Impacts of Judicial Reform in Small Claim Procedures on Court Congestion in the Philippines

## Abstract

The Supreme Court of the Philippines has introduced several reforms to address the longstanding issues of high volume of pending cases and severe delays in case disposition, which consequently deny citizens the ability to access swift and fair justice. The Rules of Procedure for Small Claims Cases (SCP) reform was rolled out by the Philippine Supreme Court as a simplified and inexpensive procedure to settle money claims that are civil in nature and have a claim value within the bounds of a given threshold. Researchers assessed the effect of SCP on court efficiency by comparing the difference in outcomes between claim cases with money values below (small claims cases) and above (regular claims cases) the threshold. Results demonstrated that small claim cases had a statistically significant reduction in case duration compared to regular claims cases, but increasing the monetary threshold to allow higher money value cases to go through SCP progressively diluted the reform's impacts.

## Policy Issue

Efficient, fair, and accessible justice systems are thought to promote peace and security, encourage private investment and growth, and provide fundamental protections to citizens. A handful of recent studies have shown that improvements in judicial efficiency can have strong effects down the line, with attention paid both to case-flow management and

procedural reforms, yet there is little rigorous empirical research on the effects of justice system reform in developing countries. The recent introduction of digital case-level data in some contexts, like the Philippines, makes the ability to access data and generate high quality evidence more possible. This research aims to shed light on the types of reforms that can effectively improve efficiencies in judicial systems, without reducing the quality of justice. The findings of the study may inform the wider and long-term efficiency plan that the Supreme Court of the Philippines is executing and may also be relevant for other developing countries that are addressing similar challenges in the functioning of their judicial systems.

## Context of the Evaluation

The Philippine judiciary has introduced several reforms to address the longstanding issues of high volume of pending cases and severe delays in case disposition, which consequently deny citizens the ability to access swift and fair justice. The Rules of Procedure for Small Claims Cases (SCP) reform was rolled out by the Philippine Supreme Court as a simplified and inexpensive procedure to settle money claims that are civil in nature and have a claim value within the bounds of a given threshold. By offering litigants the opportunity to bypass regular court procedure, the reform has the twin objectives of speeding up new cases and reducing the incoming workload on judges, enabling them to focus on decongesting courts.

## Details of the Intervention

*[Note: This study is not a randomized controlled trial.]*

Researchers assessed the effect of SCP on court efficiency by comparing the difference in outcomes between claim cases with money values below (small claims cases) and above (regular claims cases) the threshold.<sup>1</sup> They measured court efficiency by case duration<sup>2</sup> and proportion of cases disposed within 60 days.<sup>3</sup> To ensure a unified analysis across the changes in SCP threshold over the years, they centered the value of the money claim by calculating the difference between the actual value of the money claim and the prevailing threshold at the time the case has been filed. They analyzed administrative records from 82 first level courts adopting the eCourt case management system across highly urbanized cities in select judicial regions. They also conducted interviews with 58 judicial stakeholders and an online survey with 1,579 judges and clerks of court to gather more insights on their experiences and perceptions of the SCP reform.

## Results and Policy Lessons

Researchers found that small claim cases had a statistically significant reduction in case duration compared to regular claims cases. They also found that overall small claims cases had a higher but statistically insignificant proportion of cases resolved in 60 days and a significantly lower proportion of cases resolved in 30 days. They attribute this reduction in cases disposed in 30 days to a surge in small claim cases, 2.6 times the number of regular cases, from 2016-2018. From the interviews, they learned that there are factors outside the court's control that may lessen its effect, including delays in issuance of summons, difficulties

in execution of decision, unavailability of parties, and full court calendars.

The findings suggest that increasing the monetary threshold to allow higher money value cases to go through SCP progressively diluted the reform's impacts. The reform's impacts are largest for the lowest monetary threshold (Php 100,000), mixed for the second lowest threshold (Php 200,000); and mixed and less significant across all thresholds that have been implemented over the course of the reform. Researchers conclude that threshold-setting is key to the success of the SCP reform, and secular increases to the threshold are unlikely to yield consistently efficiency improving impacts. Setting up a robust research framework to continue monitoring the effects of future threshold increases is essential to ensure that the SCP reform yields efficiency-enhancing impacts.

*A rigorous evaluation of the intervention is needed to measure impact on efficiencies in judicial systems.*

## Sources

[1] Researchers used Regression Discontinuity Design (RDD) to compare observations slightly below and slightly above the eligibility threshold

[2] Number of days from the date of filing to the date of court decision

[3] a 60-day cut-off is used based on the rationale that in an initial data exploration, the mean duration of a case within the Small Claims Procedure was 63 days

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