

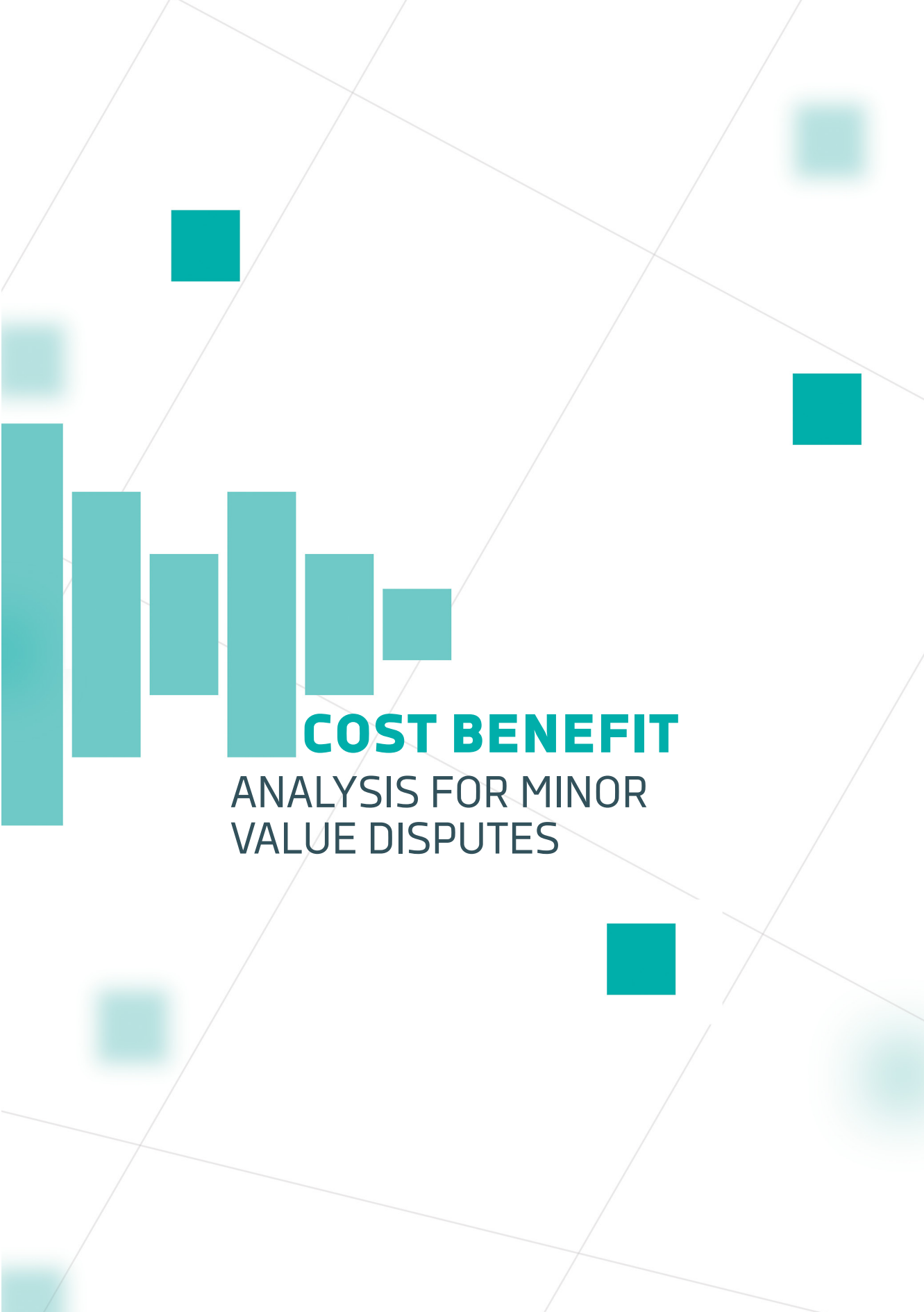


ЦЕНТАР ЗА ПРАВНИ
ИСТРАЖУВАЊА И АНАЛИЗИ
CENTER FOR LEGAL RESEARCH AND ANALYSIS



COST BENEFIT

ANALYSIS FOR MINOR
VALUE DISPUTES



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ANALYSIS FOR MINOR VALUE DISPUTES

IMPRESUM

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Cost benefit analysis for minor value disputes

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TABLE OF CONTENTS:

Executive summary	7
Methodology of data collection	11
1. Introduction and background information	13
1.1. What exactly are minor value or small claims cases?	14
1.2. Minor Value Disputes	15
1.3. Characteristics of the procedure for minor value disputes	16
1.4. Cost Benefit Analysis and other Minor Value Disputes Related Analysis	18
2. General Analysis	21
2.1. Number of initiated minor value cases, civil minor value cases and minor value cases related to trade disputes	22
2.2. Average and median duration of the first instance procedure per minor value case and number of unresolved cases	24
2.3. Average, median and maximum number of hearings per minor value case in a first instance procedure and number of cases without hearings per year	25
2.4. Average and median value of the minor value cases in a first instance procedure	26
2.5. Number of initiated minor value cases with legal ground as debt, compensation of damages, unjust enrichment and other legal ground	27
2.6. Number of accepted claim, rejected claim, withdrawn claim, settlement, pending cases and number of other type of decision	28
2.7. Total Estimated Income in Budget of Republic of Macedonia, from court fees of initiated minor value cases in front of all Basic Courts in Republic of Macedonia	29
3. Costs in litigation procedure	31
4. Outlier Hearings and Cause and Effect Diagram Method	45
5. Conclusions	53
Court Budget Incurred Costs (court budget cost per minor value dispute case)	54
Party Incurred Costs	54
Appendix	
TOTAL COURT BUDGET VS ANNUAL PUBLIC EXPENDITURE IN 2014	56

LIST OF TABLES AND FIGURES:

- Table 1: Hearings, costs and duration per court
- Table 2: 643 cases with 10 or more court hearings
- Table 3: Data collected
- Table 4: Number of civil and trade dispute cases
- Table 5: Average and median duration of cases
- Table 6: Average, median and maximum number of hearings
- Table 7: Average and median value of cases
- Table 8: Number of initiated cases per legal ground
- Table 9: Total estimated budget income from court fees
- Table 10: Costs breakdown
- Table 11: Notary reward
- Table 12: Notary material expenses
- Table 13: Costs of legal representation (per hearing)
- Table 14: Costs of explained written submission
- Table 15: Administrative tax for verdict
- Table 16: Administrative tax for court settlement
- Table 17: Costs of drafting an appeal
- Table 18: Administrative tax for an Appeal
- Table 19: Courts with more than 10 hearings per single case, three-year period (2015-2017)

Figure 1: Distribution of number of cases, median and average number of hearings per court, three-year period (2015-2017)

Figure 2: Distribution of number of hearings per court and case, three-year period (2015-2017) presented as boxplot

Figure 3: Cause & Effect diagram (also known as the “fishbone” or Ishikawa diagram)

The background features a series of thin, light gray lines intersecting at various angles to create a grid-like pattern. Scattered throughout this pattern are several teal-colored squares of different sizes. On the left side, there is a vertical arrangement of three teal elements: a small square at the top, a medium-height rectangle in the middle, and a tall, narrow rectangle at the bottom. To the right of these, there are three more small teal squares positioned at different heights. The title 'Executive Summary' is placed in the upper-middle section of the page, to the right of the tall rectangle.

Executive Summary

The economic analysis of the costs and benefits in the small petty cases is presenting an analysis of the expected balance between the costs and benefits in court proceeding in Republic of North Macedonia. The primary goal of this economic analysis is to determine the total expenses that fell on the court budget and to give a real assessment of the costs that fell on the parties to litigation during the court proceedings. Taking in mind that the improvement of the court's efficiency is one of the strategic goals in the Strategy for reform in the justice sector 2017-2022, through the method of costs and benefit evaluation, this analysis is identifying the options that are providing the most appropriate approaches in securing the court efficiency when proceeding in small petty cases. The cost benefit analysis is created as part of the program "Enhancing the transparency, legal certainty and efficiency of the judicial system in North Macedonia", which is implemented by CLRA with the support of British Embassy Skopje.

The data covers minor value disputes processed by the Courts in the period from 2015 to 2017. It was gathered and analyzed for the needs of the Center for Legal Research and Analysis in the period September 2018 and it covers 27,002 minor value dispute cases.

In accordance with the established methodology used in the previous Cost Benefit Analysis publication,¹ attorney fees are calculated per hearing and totals are obtained by multiplication of the fees by the number of hearings – where cases without a hearing have no attorney fees.

Taking into consideration that the obtained data is based on the same assumptions in relation to attorney and court fees, conclusions drawn previously for a limited number of courts are now confirmed. Due to existence of certain outliers in relation to the number of hearings, the median value was predominantly used, as average values were affected by the extremes. Below is an overview of the entire data analysis.

1 Economic value of small value disputes, Center for Legal Research and Analysis, 2017;

Table 1: Hearings, costs and duration per court

Court	Median of Estimated Court and Attorney Fees	Court of case#	Median of Case value	Min of Hearings#	Median of Hearings#	Average of Hearings#	Max of Hearings#	Median of Case Duration	Median of Calculated Court fee	Median of Attorney fees per case value per hearing
Skopje 2	17,960	9195	86,068	1	2	3.43	21	247	2,000	15,600
Tetovo	15,240	1025	38,145	0	3	3.59	26	85	1,200	14,040
Kicevo	14,480	838	82,028	0	2	2.88	19	81	2,000	12,480
Veles	11,627	1555	54,000	0	2	2.29	14	63	1,600	9,360
Ohrid	11,000	907	63,960	0	2	2.29	15	128	2,000	9,360
Negotino	10,960	519	53,640	0	2	1.98	10	127	1,600	9,360
Delcevo	10,560	124	40,000	1	2	2.30	7	167	1,200	9,360
Sv. Nikole	10,160	395	26,300	1	2	2.32	13	86	1,200	9,360
Kumanovo	10,071	1913	38,230	0	2	2.35	15	124	1,200	7,800
Kavadarci	9,987	987	57,816	0	1	1.59	11	79	1,600	7,800
Kriva Palanka	8,240	358	62,835	0	1	1.68	10	66	2,000	6,240
Krusevo	8,240	130	61,902	1	1	1.35	5	49	2,000	6,240
Prilep	8,240	967	32,003	0	1	2.18	13	98	1,200	6,240
Radovis	8,240	178	30,385	1	1	1.94	8	65	1,200	6,240
Struga	8,240	1432	15,559	0	1	2.37	22	92	800	6,240
Kocani	7,840	513	60,000	0	1	1.40	11	73	1,600	6,240
Strumica	7,840	1233	28,050	1	1	2.08	12	57	1,200	6,240
Kratovo	6,860	114	39,789	0	1	1.88	12	54	1,200	4,680
Resen	6,280	352	31,065	1	1	1.38	7	83	1,200	4,680
Berovo	5,480	167	26,400	0	1	1.85	10	73	1,200	4,680
Gevgelija	5,480	367	22,713	0	1	1.40	12	56	1,200	4,680
Stip	5,480	1492	12,762	1	1	1.00	1	92	800	4,680
Gostivar	5,160	701	0	0	3	3.50	22	117	480	4,680
Vinica	3,600	81	18,591	0	1	1.32	7	28	800	3,120
Bitola	2,000	1459	62,741	0	0	0.07	7	112	2,000	0
Total	10,388	27002	50,786	0	2	2.49	26	116	1,600	7,800

It is interesting to note that the total estimated costs differ by Court primarily in relation to the average amount of costs.

The biggest average and median duration of cases are evident in the Basic Court Skopje 2 followed the Basic Court in Delcevo. The most unresolved cases present in Basic Court Skopje 2, with more than 80% of the total 967 unresolved cases.

The average number of hearings per minor value case in a first instance was 2.5 the median number of hearings was 2 the maximum number of hearings was 26 and number of cases without hearings per year expressed in percentage was 10.5%. It is to be noted that the Court in Stip consistently has one hearing per minor value dispute, whereas the courts in Tetovo and Skopje are on the opposite side with 26 and 21 hearings respectively. The following are courts that had 10 or more hearings per single case:

Table 2: 643 cases with 10 or more court hearings

Court	Median of Estimated Court and Attorney Fees	Court of case#	Median of Case value	Min of Hearings#	Median of Hearings#	Average of Hearings#	Max of Hearings#	Median of Case Duration	Median of Calculated Court fee	Median of Attorney fees per case value per hearing
Gevgelija	95,979	1	118,970	12	12	12.00	12	468	2,379	93,600
Ohrid	94,389	8	186,740	10	12	11.88	15	693	3,735	89,700
Kratovo	88,373	4	192,870	10	12	11.50	12	202	4,133	84,240
Kicevo	85,399	24	149,628	10	11	12.38	19	406	2,993	81,900
Veles	85,308	8	116,322	10	11	11.50	14	369	2,327	81,900
Kumanovo	83,892	22	135,000	10	11	11.82	15	531	2,700	78,000
Skopje 2	82,629	466	113,358	10	11	11.56	21	830	2,267	78,000
Negotino	81,506	1	175,300	10	10	10.00	10	567	3,506	78,000
Tetovo	81,217	44	82,523	10	13	13.91	26	348	2,000	78,000
Struga	81,111	17	48,000	10	11	12.71	22	412	1,600	78,000
Kriva Palanka	72,213	2	99,937	10	10	10.00	10	151	2,013	70,200
Strumica	70,608	8	83,900	10	11	11.00	12	230	1,878	67,080
Kavadarci	68,680	2	103,250	10	11	10.50	11	239	2,380	66,300
Sv. Nikole	65,560	2	53,100	10	12	11.50	13	388	1,600	63,960
Prilep	60,680	6	50,393	10	11	11.17	13	419	1,600	59,280
Kocani	52,680	1	36,750	11	11	11.00	11	886	1,200	51,480
Berovo	48,400	1	46,125	10	10	10.00	10	969	1,600	46,800
Gostivar	19,980	26	0	10	13	12.96	22	623	480	19,500
Total	81,441	643	107,516	10	11	11.83	26	734	2,150	78,000

Most of the minor value cases are in relation to debt as a legal ground. The rest of basis is split between pecuniary damaged and other ground.

The background features a light gray grid of intersecting diagonal lines. Several teal-colored squares are scattered across the page: one in the upper left, one in the upper right, one in the lower right, and a vertical column of three squares in the lower center. Two larger teal rectangles are positioned to the left of the main text.

Methodology of data collection

The data was collected through twenty-six (26) freedom of information requests to all Basic Courts in the Republic of North Macedonia. All Courts provided aggregated and detailed data in relation to the requested data points with the exception of the Basic Court in Debar which did not provide any data on the account of not having processed any minor value case in the covered period.

The freedom of information requests were structured in such a way to allow for collection of the following data:

- >>>Number of initiated minor value cases, civil minor value cases and minor value cases related to trade disputes;
- >>>Average and median duration of the first instance procedure per minor value case and number of unresolved cases;
- >>>Average, median and actual number of hearings per minor value case in a first instance procedure and number of cases without hearings per year;
- >>>Average and median value of the minor value cases in a first instance procedure;
- >>>Number of initiated minor value cases with legal ground as debt, compensation of damages, unjust enrichment and other legal ground;
- >>>Breakdown of cases by accepted claim, rejected claim, withdrawn claim, reached settlement, pending cases and number of other type of decision;
- >>>Breakdown by Court of the estimate total income to the Court's budget from minor value cases fees.

All Courts, with the exception of Basic Courts in Shtip, Gostivar, Kratovo, Strumica, Berovo, Delcevo and Tetovo, provided data as per the freedom of information requests. The above listed Courts partially did not comply to the requests. Below is a table showing an overview of compliance.

Table 3: Data collected

Basic Court	Number of Hearings (average, median, actual)	Legal Grounds	Type of Claim	Type of Decision	Income from Court Fees
Shtip	x	√	√	√	√
Gostivar	x	√	√	√	x
Kratovo	√	x	√	√	√
Strumica	√	x	x	x	√
Berovo	√	√	x	x	√
Delcevo	√	√	x	x	√
Tetovo	x	√	x	x	√

The background features a light gray grid of intersecting diagonal lines. Scattered throughout are several teal-colored squares and rectangles of various sizes. Some are solid, while others are blurred, creating a sense of depth and movement.

1. Introduction and background information

1.1. What exactly are minor value or small claims cases?

Small-claims cases are cases that are purely civil in nature, where the claim or relief pleaded for by the plaintiff is solely for reimbursements not exceeding MKD 600,000. Claims may arise out of money owed from a contract of lease, loan, services or sale; it also covers liquidated damages arising from contracts and the enforcement of an amicable settlement or an arbitration award involving a money claim. To achieve efficiency the procedure places emphasis on the need for relative simplicity of the proceedings. The advantage of employing small-claims case procedure is that it is expeditious, inexpensive and simplified. It is an effective method to get a legal order of payment against people who owe you money.

Many legal systems, including in the European Union, have devised special procedures characterized by efforts to simplify and to reduce the expense and accelerate the resolution of such claims by individuals or small businesses. In many of these procedures a number of common features are found such as restriction of costs awarded, absence of lawyers, simplification of rules of evidence and generally the placing on the courts of more responsibility to manage cases and to achieve speedy resolution by decision or agreement of the parties.

1.2. Minor Value Disputes

The term “minor value dispute” in the Macedonian Law on Litigation Procedure² is defined in a positive and negative manner.

As it is obvious from the term, the value of the dispute is crucial when it comes to defining what falls and what does not fall under the definition of minor value or small claim case. In practical terms minor value disputes are defined as disputes when citizens are faced with monetary or non-monetary nature claims with value of approximately 10,000 EUR or 600,000 MKD.

The change of the dispute value affects the implementation of specific rules applied to the procedure on minor value disputes. If the value of the subject of the dispute exceeds the amount of 600.000 MKD, the procedure shall be completed according to the provisions of the Law on Litigation Procedure applicable to the general rules of litigation procedure. In contrast, if the plaintiff decreases the petition in a manner that no longer exceeds the amount of 600,000 MKD, before the closing of the main hearing held in accordance with the general rules of litigation procedure, the procedure shall continue in line with the provisions which apply to minor value disputes.³

Positively defining, minor value disputes are defined as disputes that are initiated for three kinds of condemnatory claims: a) a monetary claim that does not exceed the amount of 600,000 MKD (approximately 9,700 EUR); b) a non-monetary claim, where the plaintiff has stated that in lieu of fulfillment of a certain claim a financial amount not exceeding the amount of 600,000 MKD (*facultas alternativa*) can be received and c) a non-monetary claim, that involves the handing over of a movable object of value, not exceeding the amount of 600,000 MKD.⁴

Negatively defined, minor value disputes⁵ do not cover disputes dealing with immovable property, labor relations disputes with a status character and possession hindrance disputes. A minor value dispute procedure may also be conducted in cases of injunction against a notary/court proposal, if the value of the disputed part of the notary/court proposal does not exceed the amount of 600,000 MKD.⁶

² Law on Litigation Procedure, “Official Gazette of the Republic of Macedonia” No. 79/2005, No. 110/2008, No. 83/2009, No. 116/2010, No. 7/2011 and No. 124/2015

³ [Article 435 of the Law on Litigation Procedure]

⁴ Article 430 of the Law on Litigation Procedure

⁵ In terms of the provisions of the Chapter twenty-nine in the Macedonian Law on Litigation Procedure, article 431

⁶ Article 432 of the Law on Litigation Procedure

1.3. Characteristics of the procedure for minor value disputes

Minor value disputes are processed in a special procedure – the so-called Procedure for Minor Value Disputes - established with the Macedonian Law on Litigation Procedure in the chapter twenty-nine, Articles 429 – 438.

The procedure differs from the general civil litigation procedure. It foresees simplified and shortened procedural actions to increase the efficiency of cases where the claim is of minor value.

The shortening of the procedure is achieved through a series of specific solutions:

- >>>Provisions on pre-trial hearing do not apply;
- >>>Upon receipt of the response to the lawsuit, the Court immediately schedules the main hearing;
- >>>In disputes where mediation is allowed (commercial disputes) the court is obliged to provide the parties, as part of the summons, a written instruction that the dispute can be resolved through a mediation procedure;
- >>>The summons for the main hearing, inter alia, state that the lawsuit is considered withdrawn unless the plaintiff appears on all hearings;
- >>>The parties are obliged to state all facts and evidence at the first hearing and to state whether they agree to resolve the dispute in a mediation procedure for commercial disputes.⁷

In the procedure for minor value disputes, the minutes of the main hearing beside the information from Article 116 paragraph (1) of the Law on Litigation Procedure, also contain the following:⁸

- >>>Statements from the parties which are of significant importance, especially those in which, completely or partially, the petition or the appeal is admitted or denied, or the lawsuit is altered or withdrawn;
- >>>the actual content of the exhibited evidence;
- >>>the decisions against which an appeal is allowed and which are announced at the main hearing, and
- >>>presence of the parties at the verdict announcement, and if present ,advice under which conditions an appeal can be filed.

The verdict in the procedures for minor value disputes is announced immediately after the closing of the main hearing. When announcing the verdict, the Court is obliged to give instructions to the parties presenting the conditions under which they can submit an appeal.

⁷ Article 436 of the Law on Litigation Procedure

⁸ Article 434 of the Law on Litigation Procedure

On the other hand, the following elements define the negative context of the procedure for minor value disputes:

>>>The time period for an appeal, as well as the time periods to perform certain action and propose the litigation court to supplement the verdict is eight days.⁹

>>>Only a verdict or a decision which ends the procedure for minor value disputes may be subject to an appeal. Other decisions against which an appeal is normally allowed by law may be challenged only through an appeal against the verdict by which the proceedings are ended. These decisions are not delivered to the parties, but are announced at the hearing and entered into the written composition of the verdict.

>>>No revision against a legally valid verdict of the court of second instance is allowed in the minor value disputes.¹⁰

>>>The lawsuit shall be considered withdrawn if the plaintiff fails to pay the court fees within eight days from the day of filing the lawsuit.¹¹

In line with article 429 of the Law on Litigation Procedure, unless there are special provisions in this Chapter, the other provisions of this Law shall be applied to the procedure for minor value disputes

9 Article 314 paragraph (2))Article 328 paragraph (1)) (Article 438 of the Macedonian Law on Litigation Procedure

10 Article 438 of the Macedonian Law on Litigation Procedure

11 Article 429-a of the Macedonian Law on Litigation Procedure

1.4. Cost Benefit Analysis and other Minor Value Disputes Related Analysis

One of the main continuing concerns voiced over the functioning of civil Justice systems, notably in relation to the possibility for ordinary citizens to access the courts and seek redress for claims quickly and without having to spend large sums of money on legal advice, has been in the area of claims of low value especially those where the time, effort and cost involved can often be grossly disproportionate to the value of the claim.

Minor value disputes are considered as simple, expeditious and relatively inexpensive. However, to be able to prove that, one needs to rely on empirical data, analyses and examinations. One of the empirical tools at disposal is a **cost benefit analysis (CBA)**. CBA is a systematic approach to estimating the strengths and weaknesses of alternatives. It is used to determine options that provide the best approach to achieve benefits while preserving efficiencies. The CBA can also be defined as a systematic process for calculating and comparing costs and benefits of a decision, policy (with particular regard to government policy) or (in general) project.

Broadly, a CBA has two main purposes:

>>>To determine if an investment/decision is sound (justification/feasibility) – verifying whether its benefits outweigh the costs, and by how much;

>>>To provide a basis for comparing projects – which involves comparing the total expected cost of each option against its total expected benefits.

CBA is often used by organizations to appraise the attractiveness of a given policy. It is an analysis of the expected balance of benefits and costs, including an account of foregone alternatives and the *status quo*. CBA helps predict whether the benefits of a policy outweigh its costs, and by how much relative to other alternatives, so that one can rank alternate policies in terms of the cost-benefit ratio or percentage.

While CBA can offer a well-educated estimate of the best alternative – perfect appraisal of all present and future costs and benefits is difficult –, perfection in terms of economic efficiency and social welfare are not guaranteed.

The cost benefit approach analyzed absolute, average and median number of cases including legal ground, number of hearings and types of claims and decisions.

The term *average* is used frequently in everyday life to express an amount that is typical for a group of people or things. For example, you may read in a newspaper that on average people watch 3 hours of television per day. One understands that not everybody watches 3 hours of television each day, but that some watch more and some less. Therefore, average

is a good indicator of the amount of TV watched in general. Averages are useful because they summarize a large amount of data into a single value and indicate that there is some variability around this single value within the original data.

Median refers to the middle value in a dataset, when the values are arranged in order of magnitude from smallest to largest or vice-versa. When there are an odd number of values in the dataset the middle value is straightforward to find. When there are an equal number of values, the mid-point between the two central values is the median. The median is a good measure of the average value when the data includes exceptionally high or low values because these have little influence on the outcome; and it gives a good indication of what a typical value would be.

Parties initiating minor value disputes very often face uncertainty related to the level of the expected costs during the process and to the purposefulness of the entire proceedings. This uncertainty primarily stems from the unknown levels of court and attorney fees.

In addition to court and attorney fees, there are also state budget related costs. These are costs incurred under the Court budget and are related to court operational costs like salaries, maintenance etc. This analysis will attempt to provide an assessment of the two types of costs related to minor value disputes and, based on data obtained in the context of this analysis, quantify effects and highlight conclusions and recommendations.

2. General Analysis

2.1. Number of initiated minor value cases, civil minor value cases and minor value cases related to trade disputes

In total, 27,002 minor value cases were litigated in front of the Courts in 2015, 2016 and 2017. Out of the total number, 23,545 are civil minor value cases and 3,457 are minor value cases related to commercial and trade disputes.

Table 4: Number of civil and trade dispute cases

Basic Court	Trade Dispute Cases			Trade Dispute Cases Total	Civil Cases			Civil Cases Total	Grand Total
	2015	2016	2017		2015	2016	2017		
Berovo					76	38	54	168	168
Bitola	23	17	35	75	434	392	558	1384	1459
Delcevo					46	31	47	124	124
Gevgelija					146	180	41	367	367
Gostivar	26	23	15	64	180	188	269	637	701
Kavadarci					247	318	422	987	987
Kicevo					248	293	298	839	839
Kocani	36	26	27	89	146	130	148	424	513
Kratovo					31	31	52	114	114
Kriva Palanka					166	103	90	359	359
Krusevo					43	38	49	130	130
Kumanovo	72	36	38	146	497	699	572	1768	1914
Negotino					250	158	111	519	519
Ohrid	43	29	33	105	259	254	293	806	911
Prilep	45	34	21	100	306	248	315	869	971
Radovis					79	63	36	178	178
Resen	2	3	2	7	83	95	167	345	352
Skopje 2	385	329	403	1117	2576	3021	2483	8080	9197
Stip	22	15	15	52	349	384	707	1440	1492
Struga	108	104	70	282	357	519	282	1158	1440
Strumica	22	3	29	54	621	321	239	1181	1235
Sv. Nikole					183	103	109	395	395
Tetovo	137	93	118	348	265	233	180	678	1026
Veles	423	284	312	1020	169	183	184	536	1556
Vinica					45	12	24	81	81
Grand Total	1.344	998	1120	3462	7802	8035	7730	23567	27029

It is obvious that most of the cases are civil cases. This demonstrates that the main benefit to the Court, financially and from engaging through a simplified procedure comes from the Civil cases. It also demonstrates that due to the value definition of minor cases, trade dispute minor cases capture only a small share and benefit a few of the legal subjects engaged in litigation. It is worth considering the definition or the threshold of trade dispute minor value cases so that the simplified procedure is able to absorb a larger share of all cases.

2.2. Average and median duration of the first instance procedure per minor value case and number of unresolved cases

For the period 2015, 2016 and 2017 the average duration of the first instance procedure per minor value case in Basic Courts of Republic of Macedonia, was 181 days, the median duration was 116 days. The total number of unresolved cases was 967. From the analysis of the received information it can be concluded that the biggest average and median duration of cases are evident in the Basic Court Skopje 2 followed the basic courts in Negotino and Delcevo. The most unresolved cases present in Basic Court Skopje 2, with more than 80% of the total 967 unresolved cases

Table 5: Average and median duration of cases

Court	Average Duration			Median Duration			Unresolved
	2015	2016	2017	2015	2016	2017	
Berovo	115	165	111	56	118	67	6
Bitola	134	178	127	105	141	107	34
Delcevo	260	215	143	207	172	141	0
Gevgelija	89	66	100	56	53	80	0
Gostivar	137	188	157	91	148	122	26
Kavadarci	111	128	103	68	96	71	0
Kicevo	79	138	117	59	101	84	5
Kocani	82	122	100	63	97	75	9
Kratovo	81	118	73	56	75	42	0
Kriva Palanka	140	95	69	83	60	52	3
Krusevo	51	67	69	47	59	45	0
Kumanovo	125	183	166	93	155	131	42
Negotino	138	175	151	99	154	157	0
Ohrid	228	185	135	137	146	105	35
Prilep	121	137	121	92	105	98	8
Radovis	78	104	87	53	80	76	2
Resen	117	144	91	109	90	77	1
Skopje 2	363	315	191	298	281	161	776
Stip	101	174	119	65	137	97	9
Struga	146	144	83	94	105	72	0
Strumica	76	120	86	51	79	59	6
Sv. Nikole	116	146	123	69	123	86	0
Tetovo	101	149	112	71	106	93	5
Veles	79	89	71	62	65	61	0
Vinica	43	56	41	28	42	26	0

2.3. Average, median and maximum number of hearings per minor value case in a first instance procedure and number of cases without hearings per year

In 2015, 2016 and 2017 the average number of hearings per minor value case in a first instance procedure in Basic Courts of Republic of Macedonia, was 2.5, the median number of hearings was 2, the maximum number of hearings was 26 and number of cases without hearings per year expressed in percentage was 10.5%.

Table 6: Average, median and maximum number of hearings

Court	Average number of hearings			Median number of hearings		
	2015	2016	2017	2015	2016	2017
Berovo	1.6	3.0	1.4	1	3	1
Bitola	0.2	0.0	0.0	0	0	0
Delcevo	2.4	2.1	2.3	2	2	2
Gevgelija	1.6	1.1	2.3	1	0	2
Gostivar	3.3	3.7	3.5	3	3	3
Kavadarci	1.6	2.0	1.3	1	2	1
Kicevo	2.5	3.3	2.8	2	3	2
Kocani	1.3	1.6	1.4	1	1	1
Kratovo	2.4	2.0	1.5	2	1	1
Kriva Palanka	1.3	1.9	2.1	1	1	1
Krusevo	1.3	1.2	1.5	1	1	1
Kumanovo	2.0	2.3	2.7	1	1	2
Negotino	1.9	2.1	2.0	1	2	2
Ohrid	2.4	2.3	2.2	2	1	1
Prilep	2.2	2.1	2.2	1	1	1
Radovis	2.0	1.8	1.9	1	1	1
Resen	1.4	1.7	1.2	1	1	1
Skopje 2	4.0	3.5	2.7	3	3	2
Stip	1.0	1.0	1.0	1	1	1
Struga	3.0	2.3	1.7	2	1	1
Strumica	1.9	2.4	2.2	1	1	1
Sv. Nikole	1.9	2.8	2.6	1	2	2
Tetovo	3.5	4.2	3.1	3	3	3
Veles	2.2	2.6	2.1	2	2	2
Vinica	1.6	1.1	1.0	1	1	1

2.4. Average and median value of the minor value cases in a first instance procedure

In a three-year period, the average value of minor value cases in the first instance procedure in front of the Courts, was 90,478 MKD and the median value was 50.786 MKD.

Table 7: Average and median value of cases

Court	Average			Median		
	2015	2016	2017	2015	2016	2017
Berovo	35,672	47,347	81,666	17,785	28,377	50,000
Bitola	65,974	83,416	103,926	58,056	60,100	72,426
Delcevo	54,433	68,724	51,573	40,000	58,425	36,000
Gevgelija	44,483	44,698	87,901	29,369	8,850	77,727
Gostivar	6,300	6,246	7,084	0	0	0
Kavadarci	51,890	103,535	92,644	36,570	65,791	67,142
Kicevo	44,205	133,829	133,340	24,003	100,000	100,985
Kocani	63,539	120,022	141,402	40,000	65,030	100,000
Kratovo	47,216	87,314	81,042	36,900	28,957	45,655
Kriva Palanka	58,755	110,912	135,028	48,298	71,627	98,592
Krusevo	80,049	61,553	84,088	73,380	38,988	61,902
Kumanovo	47,083	75,959	109,393	30,164	30,683	55,000
Negotino	52,511	81,203	98,000	40,140	60,412	78,487
Ohrid	55,363	161,818	121,607	38,093	100,000	78,471
Prilep	43,141	73,177	73,358	21,080	40,917	35,748
Radovis	43,029	43,417	93,822	29,924	33,900	32,050
Resen	68,919	116,800	48,906	47,200	87,272	14,640
Skopje 2	69,079	146,469	147,232	51,795	106,966	111,510
Stip	47,250	84,566	39,704	28,600	33,003	4,277
Struga	43,464	77,217	60,835	19,111	15,999	11,035
Strumica	38,209	69,659	83,471	24,838	39,419	30,750
Sv. Nikole	35,967	59,273	98,957	20,000	30,000	40,000
Tetovo	58,364	85,049	125,476	34,292	38,145	49,826
Veles	68,883	78,694	129,338	43,824	49,070	78,575
Vinica	25,087	38,286	29,428	10,000	42,030	23,447

2.5. Number of initiated minor value cases with legal ground as debt, compensation of damages, unjust enrichment and other legal ground

In a three-year period, the share of initiated minor value cases with debt as a legal ground was 51.5%, pecuniary damages was 21.4%, followed by 7.1% for cases with non-pecuniary damages and 5.0% for unjust enrichment. Other legal grounds and no information provided account for 7.1% and 7.9% respectively. Below is a table breaking down the legal ground share of cases by Court.

Table 8: Number of initiated cases per legal ground

Court	Debt	No Legal ground stated	Non-pecuniary damage	Other	Pecuniary Damage	Unjust Enrichment
Berovo	0.9%		0.2%	0.6%	0.4%	0.2%
Bitola	0.4%	64.9%		0.1%	0.5%	0.1%
Delcevo	0.4%		0.6%		0.8%	0.2%
Gevgelija	2.1%		0.9%	0.5%	0.7%	0.9%
Gostivar	2.3%	0.2%		1.8%	5.6%	0.7%
Kavadarci	5.8%	0.0%	3.6%	0.1%	1.8%	0.5%
Kicevo	2.4%	0.4%	9.8%	2.0%	4.3%	1.5%
Kocani	2.2%		6.1%	1.2%	0.8%	1.3%
Kratovo				5.9%		
Kriva Palanka	1.2%		0.9%	0.5%	2.8%	0.4%
Krusevo	0.3%				1.5%	0.1%
Kumanovo	8.3%	0.4%	0.8%	1.4%	9.8%	10.1%
Negotino	2.9%	0.2%	1.1%	0.1%	0.7%	3.4%
Ohrid	2.9%	0.1%	6.4%	1.7%	4.1%	7.7%
Prilep	3.5%	0.2%	2.3%	2.5%	5.9%	3.1%
Radovis	0.9%	0.0%			0.9%	0.5%
Resen	2.3%	0.1%	0.1%	0.1%	0.5%	0.1%
Skopje 2	35.8%	0.3%	55.8%	6.4%	42.2%	42.2%
Stip	7.1%		7.0%	0.3%	6.0%	1.3%
Struga	1.5%	16.9%	0.5%	7.1%	6.9%	24.0%
Strumica				64.3%		
Sv. Nikole	1.8%		2.1%	0.5%	1.3%	1.0%
Tetovo	7.0%	0.2%	0.2%	1.4%	0.3%	0.4%
Veles	7.5%	16.0%	1.6%	1.5%	1.9%	0.1%
Vinica	0.4%			0.1%	0.5%	0.1%

2.6. Number of accepted claim, rejected claim, withdrawn claim, settlement, pending cases and number of other type of decision

In a three year period, the share of initiated minor value cases that were adopted was 45.8%, followed by 15.8% withdrawn claims. Cases pending resolution represent 6.0% and 9.1% are other types of decisions. Rejected claims participate with 6.9% and no information provided accounts for 11.8%.

2.7. Total Estimated Income in Budget of Republic of Macedonia, from court fees of initiated minor value cases in front of all Basic Courts in Republic of Macedonia

In 2015, 2016 and 2017, the total income to the Budget of the Republic of Macedonia, from court fees coming from initiated minor value cases in front of all Basic Courts, was **57,861,251 MKD**. One can see that the average income moves from 602 MKD in the case of the Basic Court in Gostivar to 2,708 MKD in Skopje 2. The median value on the other hand is more convergent and moves around the mid-point of 1,600 MKD.

Table 9: Total estimated budget income from court fees

Court	2015	2016	2017	Total (MKD)
Berovo	85,485	52,264	106,119	243,868
Bitola	770,963	822,369	1,409,220	3,002,552
Delcevo	65,899	52,978	67,518	186,395
Gevgelija	192,029	231,702	83,334	507,065
Gostivar	122,518	126,706	172,553	421,777
Kavadarci	360,139	769,365	921,057	2,050,561
Kicevo	328,551	846,621	853,672	2,028,844
Kocani	305,161	422,525	538,006	1,265,692
Kratovo	39,827	66,571	104,466	210,864
Kriva Palanka	254,785	260,316	262,377	777,478
Krusevo	81,815	61,568	101,464	244,847
Kumanovo	760,294	1,395,321	1,526,051	3,681,666
Negotino	372,878	319,599	253,799	946,276
Ohrid	447,706	973,905	878,942	2,300,553
Prilep	442,056	519,891	610,815	1,572,762
Radovis	98,010	84,109	79,923	262,042
Resen	149,033	254,859	228,091	631,983
Skopje 2	5,147,641	10,595,665	9,159,220	24,902,526
Stip	499,103	810,556	855,853	2,165,512
Struga	595,664	1,183,388	567,187	2,346,239
Strumica	788,275	588,050	539,811	1,916,136
Sv. Nikole	212,603	161,973	252,215	626,791
Tetovo	619,817	675,625	843,605	2,139,047
Veles	1,027,900	896,687	1,418,597	3,343,184
Vinica	43,231	16,240	27,120	86,591
Grand Total	13,811,383	22,188,853	21,861,015	57,861,251

The background features a light grey grid of intersecting diagonal lines. Scattered across this grid are several teal-colored squares of varying sizes. Some squares are solid, while others are blurred, creating a sense of depth and movement. The overall aesthetic is modern and minimalist.

3. Costs in litigation procedure

The participation in the procedure requires certain material expenditure; related to the activity of the court, the parties and other participants in the procedure.

Expenditures made during the course of the procedure or as a result of it are referred to as costs of the litigation procedure or litigation costs. Litigation costs, besides the above, also include the reward¹² of the attorney as well as other persons to whom the law recognizes the right to reward. (Article 145 of the Law on Litigation Procedure).

Litigation costs cover expenditures incurred for: court fees, personal expenditures of the party and its representative related to the representation in court, attorney's reward, travel allowances, daily quota and lost earnings for witnesses and experts, rewards for work of the experts, costs for inspections, costs of providing evidence during the procedure, charges for obtaining documents and other evidence (certification, photocopying), costs for publishing announcements, costs of providing evidence through initiation of a procedure, cost of settlement attempts, costs of temporary measures, etc.

In relation to the duty to pay the litigation costs, the following questions arise:

>>>which party is obliged to pay the litigation costs in advance, and

>>>which party is obliged to pay the litigation costs at the end of the procedure.

Each party initially covers the costs being caused by their actions. The court does not act upon a lawsuit or undertake any other action for which the court fee is not paid. If the plaintiff does not pay the court fee within a period of 15 days (in procedure for minor value disputes this period is 8 days) from the day of filing the lawsuit, lawsuit is considered withdrawn.¹³ (Article 146 of the Law on Litigation Procedure).

When the party proposes exhibiting evidence, it shall be obliged, upon a court order, to deposit the amount necessary for covering the costs that will occur as a result of exhibiting the evidence. When both parties propose or the court determines exhibiting evidence, the court shall determine that both parties shall deposit the amount necessary for covering the costs in equal parts. If the court has determined exhibiting evidence, it can determine that one party only shall deposit the amount. In that case, considering all circumstances, the court shall in its own belief assess the significance of the fact that the party did not deposit in time the amount necessary for covering the costs. If the amount necessary for covering the costs is not deposited in the time-period determined by the court, it shall withdraw from exhibiting the evidence. As an exception to the provision referred to in paragraph (3) of this Article, should the court ex-officio determine exhibiting new evidence for the purpose of determining facts in regard to the application of Article 3 paragraph (3) of this Law, it shall oblige the parties to deposit the determined amount in a certain time-period. If neither of the parties deposit in time the determined amount, the costs for exhibiting the evidence shall be paid from the court's funds, and after a legally valid closure of the procedure they shall be reimbursed according to the rules referred to in Article 148 of this Law.(Article 147 of the Law on Litigation Procedure).

¹² Article 145 of the Law on Litigation Procedure

¹³ Article 146 of the Law on Litigation Procedure

The party which loses the case is obliged to compensate the costs of the opposing party and its intervenor. If the party partially succeeds in the case, the court can, considering the success achieved, determine that each party shall cover its own costs or that one party shall reimburse a proportional part of the costs to the other party and the intervenor. The court can decide that one party shall reimburse all costs which the opposing party and its intervenor have had, provided the opposite party has not succeeded only in a proportionally insignificant part of its petition, and that part has not caused particular costs. Considering the substantiating result, the court shall decide whether the costs referred to in Article 147 paragraph (3) of this Law shall be covered by one or both parties or it shall be covered by the court's funds. (Article 148 of the Law on Litigation Procedure).

The court shall, when deciding which costs shall be reimbursed to the party, take into consideration only the costs being necessary for the conduct of the litigation. Carefully assessing all circumstances, the court shall decide which costs were necessary as well as the amount of the costs. The reward and other costs of the attorneys at law shall be calculated in accordance with the tariff for compensation of the costs for attorneys at law.¹⁴ (Article 149 of the Law on Litigation Procedure).

Regardless of the outcome of the litigation, the party shall be obliged to compensate to the opposing party the costs being caused by own fault or due to an occurrence on its part. The court can decide that the legal representative or the attorney-in fact of the party shall compensate the costs to the opposing party being caused by own fault. The court shall be obliged to decide by a determination on the compensation of the costs referred to in paragraphs (1) and (2) of this Article without delay. A special appeal shall not be allowed against such determination, and enforcement of the determination can be requested prior to its legal validity.¹⁵ (Article 150 of the Law on Litigation Procedure).

If the defendant has not given any reason for a lawsuit and if in the response to the lawsuit, i.e. at the pre-trial hearing, or if a pre-trial hearing is not being held then at the main contention, before he enters a dispute on the main issue, he has recognized the petition, the plaintiff shall compensate the costs of the defendant.¹⁶ (Article 151 of the Law on Litigation Procedure).

The plaintiff who shall withdraw the lawsuit shall be obliged to compensate the opposing party the litigation costs, unless the withdrawal of the lawsuit resulted immediately after the fulfillment of the claim by the defendant. The party who shall withdraw from a legal remedy shall be obliged to compensate the opposing party the costs incurred due to the legal remedy.¹⁷ (Article 152 of the Law on Litigation Procedure).

14 Article 149 of the Law on Litigation Procedure

15 Article 150 of the Law on Litigation Procedure

16 Article 151 of the Law on Litigation Procedure

17 Article 152 of the Law on Litigation Procedure

Each party shall cover its own costs when the procedure is completed with a court settlement, unless otherwise agreed in the settlement. The costs for the attempted, but unsuccessful settlement shall be included in the litigation costs.¹⁸ (Article 153 of the Law on Litigation Procedure).

If a petition is accepted within extraction litigation for extracting items, yet the court determines that the defendant as a creditor in the enforcement procedure has had justified reasons to consider that there are no rights of third parties to these items, it shall determine each party to cover its own costs.¹⁹ (Article 154 of the Law on Litigation Procedure).

Co-litigants shall cover the costs in equal parts. If there is a significant difference in their share of the subject of the dispute, the court shall proportionally to that share establish the part of the costs that shall be compensated by each of the co-litigants. The co-litigants who are jointly responsible for the main issue shall jointly be responsible for the costs ruled to the opposing party. The other co-litigants shall not be accountable for the costs caused by special litigation activities of separate co-litigants.²⁰ (Article 155 of the Law on Litigation Procedure).

When the public prosecutor appears as a party in the procedure, he shall be entitled to compensation of the costs according to the provisions of this Law. The costs that, according to the provisions of this Law, should be covered by the public prosecutor will be paid from the Budget of the Republic of Macedonia.²¹ (Article 156 of the Law on Litigation Procedure).

The provisions on the costs shall be as well applied to parties being represented by the public prosecution. In such case, the costs for the procedure shall include the amount which would have been recognized for the party as reward for the attorney-at-law.²² (Article 157 of the Law on Litigation Procedure).

The court shall decide upon cost compensation of a certain claim of the party, without dispute. The party shall be obliged to list the cost it seeks to be compensated in the claim. The party shall be obliged to display the claim for compensation of costs, at latest until the completion of the dispute preceding the deciding upon the costs, and if it comes to adopting a decision without a previous dispute, the party shall be obliged to point out the claim for compensation of costs in the proposal for the court to decide. The court shall decide upon the claim for compensation of costs in the verdict or in the determination whereby the procedure is closed with that court. Upon the oral announcement of the verdict or of the determination imposing compensation of costs, the court can decide the amount of the costs to be calculated in a verdict, i.e. determination prepared in writing, if the determination is to be served to the parties. During the course of the procedure the court shall with a special determination decide on the compensation of the costs only when the right to cost compensation does not depend on the decision on the main issue. In the case referred

18 Article 153 of the Law on Litigation Procedure

19 Article 154 of the Law on Litigation Procedure

20 Article 155 of the Law on Litigation Procedure

21 Article 156 of the Law on Litigation Procedure

22 Article 157 of the Law on Litigation Procedure

to in Article 152 of this Law, if the withdrawal of the lawsuit or the withdrawal from a legal remedy is not enforced during the contention, a claim for costs compensation can be displayed in a period of 15 days as of the receiving of the withdrawal notification. (Article 158 of the Law on Litigation Procedure).

In a partial or interlocutory verdict, the court can pronounce that the decision on the costs is left for a later verdict. (Article 159 of the Law on Litigation Procedure).

When the court rejects or refuses the legal remedy, it shall decide on the costs incurred in the procedure due to that legal remedy. When the court alters the decision against which a legal remedy has been filed or it abolishes such decision and dismisses the lawsuit, it shall decide on the costs in the whole procedure. When a decision against which a legal remedy has been filed is abolished and the case is returned to a repeated trial, the decision upon the costs due to the legal remedy will be left to be brought in the final decision. The court can act according to the provision of paragraph (3) of this Article even when the decision against which a legal remedy has been filed is only partially abolished. (Article 160 of the Law on Litigation Procedure).

The decision on the costs, contained in the verdict, can only be contested with an appeal against the determination, unless the decision on the main issue is contested at the same time. If one of the parties contests the verdict only in terms of the costs, and the other in terms of the main issue, the court of higher instance shall decide upon both legal remedies with one decision. (Article 161 of the Law on Litigation Procedure).

The costs of the procedure for providing evidence shall be covered by the party having submitted the proposal for providing evidence. It shall as well be obliged to compensate the costs of the opposing party, i.e. of the temporary appointed representative. Such costs can be additionally realized by the party as part of the litigation costs, in line with the success in the procedure. (Article 162 of the Law on Litigation Procedure).

The court shall exempt from payment of costs in the procedure, the party that according to its general material condition is not able to cover these costs without harming its necessary support and the necessary support of its family. The exemption from paying the costs in the procedure shall include exemption from paying fees and exemption from down payment of the costs for witnesses, expert witnesses, for inspection and for court announcements. The court can exempt the party only from paying fees, if the payment of fees would significantly decrease the funds whereby the party and the members of its family are being supported. When adopting a decision on exemption from paying the procedure costs, the court shall carefully assess all the circumstance and it shall particularly consider the value of the subject of the dispute, the number of persons the party supports and the revenues of the party and the members of its family. (Article 163 of the Law on Litigation Procedure).

The decision on exemption from paying the procedure costs shall be adopted by the court of first instance on a proposal of the party. The party shall be obliged to attach to the proposal a certificate from a competent body of the state administration in regard to its material condition.

The certificate for the material condition has to state the tax amount paid by the household and by separate members of the household, as well as other sources of their revenues and in general the material condition of the party being issued the certificate. Detailed regulations for issuing certificates on the material condition shall be adopted by the body determined with a special regulation. When necessary the court itself can ex officio obtain the necessary data and notifications on the material condition of the party requesting exemption, and it can thereon hear the opposing party as well. An appeal is not allowed against the determination of the court adopting the proposal of the party. (Article 164 of the Law on Litigation Procedure). When the party is completely exempted from paying the procedure costs (Article 163 paragraph (2)), upon its request the court of first instance shall determine it to be represented by an attorney-in-fact, should it be necessary due to protection of the party's rights. The party being assigned an attorney-in-fact shall be exempted from paying the costs and the reward of the assigned attorney-in-fact. The attorney-in-fact from among the attorneys at law shall be assigned by the president of the court. Due to justified reasons the assigned attorney-in-fact can request to be dismissed. The president of the council shall decide upon it out of the main contention, and the council shall decide at the contention. An appeal shall not be allowed against the decision of the court dismissing the attorney-in-fact. An appeal is not allowed against the determination of the court adopting the request of the party for assigning an attorney-in-fact. (Article 165 of the Law on Litigation Procedure).

When the party is completely exempted from paying the procedure costs (Article 163 paragraph (2)), down payment shall be made from the court's funds for the costs for witnesses, expert witnesses, translators, interpreters, for the inspection and for publishing a court announcement, as well as the costs for the assigned attorney-in-fact. (Article 166 of the Law on Litigation Procedure).

The determination of exemption from paying the costs and for assigning an attorney-in-fact can be abolished by the court of first instance during the procedure, should it establish that the party is able to cover the procedure costs. Thus, the court shall decide whether the party shall completely or partially compensate the costs and fees it has been previously exempted from, as well as the costs and the reward for the assigned attorney-in-fact. The amount paid from the court's funds shall be the compensated first. (Article 167 of the Law on Litigation Procedure).

The fees and costs paid from the court's funds, as well as the actual expenses and the reward for the assigned attorney-in-fact, shall be considered part of the litigation costs. For compensating these costs by the opposing party being exempted from paying the procedure costs, the court shall decide in line with the provisions on cost compensation. The fees and costs paid from the court's funds shall be ex officio charged by the court of first instance from the party being obliged to compensate them. If the opposing party, being exempted from paying the procedure costs, is obliged to compensate the litigation costs, and it is established that he is not able to cover those costs, the court can additionally determine the costs from paragraph (1) of this Article to be paid completely or partially by the party being exempted from paying the procedure costs from what has been ruled thereto. Thus, it shall not interfere in the right of this party to request compensation from the opposing party for what it has paid (Article 168 of the Law on Litigation Procedure).

The compensation of the litigation procedure costs which shall incur in courts in the Republic of Macedonia shall be confirmed by a Rulebook by the Minister of Justice. (Article 169 of the Law on Litigation Procedure).

Furthermore, a Table for costs in procedures for minor value disputes is attached to this Report (Appendix: Costs of Minor Value Disputes), which is applicable in practice. In this Table the costs are divided into procedure that is initiated with a notary proposal or a lawsuit and costs in civil dispute (MALVP) or trade dispute (MALVTS).

The provided categories in the Table are as the follows:

Mediation;

Clarification: In the trade disputes for a monetary claim which does not exceeds 1.000.000 MKD (circa 16.260 EUR) and where a procedure is initiated by a lawsuit in front of a court, the parties shall be obliged, before filing the lawsuit, to try to resolve the dispute by mediation.

Value: At least 20 EUR for each initiated hour and at least 30 EUR when the procedure is conducted by two or more mediators.

Costs for trade registry certificate;

Clarification: According to Macedonian law on Litigation procedure if the parties are legal entities they must submit a proof from the corresponding register about the head office of the legal entity.

Value: The price for one trade registry certificate is 256,00 MKD;

Expertise;

Clarification: The court shall exhibit expert witnessing as evidence, if the party submits the professional finding and opinion of the expert witness in the lawsuit or in the response to the lawsuit;

Value: Up to 100.000,00 MKD the price is from 3.000,00 MKD up to 5.400,00 MKD, from 100.001,00 MKD up to 1.000.000,00 MKD the price is from 5.401,00 MKD up to 9.000,00 MKD and above 1.000.000,00 MKD the price is from 9.001,00 MKD up to 15.000,00 MKD.

Attorney reward for drafting notary proposal/lawsuit;

Clarification: The attorney at law will be rewarded for drafting a notary proposal or a lawsuit according to the Attorney Tariff of the Republic of Macedonia.

Value: The price for drafting a notary proposal or a lawsuit up to 10.000,00 MKD is 1.300,00 MKD; the price for drafting a notary proposal from 10.001,00 MKD up to 50.000,00 MKD is 2.730,00 MKD and for drafting a lawsuit is 3.900,00 MKD; the price for drafting a notary proposal from 50.001,00 MKD up to 100.000,00 MKD is 3.640,00 MKD and for drafting a lawsuit is 5.200,00 MKD; the price for drafting a notary proposal from 100.001,00 MKD up to 300.000,00 MKD is 4.550,00 MKD and for drafting a lawsuit is 6.500,00 MKD; the price for drafting a notary proposal from 300.001,00 MKD up to 600.000,00 MKD is 5.460,00 MKD and for drafting a lawsuit is 7.800,00 MKD.

Administrative tax for notary proposal/lawsuit;

Clarification: According to the Macedonian law on litigation procedure the procedure may be initiated by submitting a lawsuit in front of a competent basic court or submitting a notary proposal in front of a competent notary. Depending on that, an appropriate administrative tax needs to be paid according to the law on court fees.

Table 10: Costs breakdown

Administrative tax for notary proposal/lawsuit;	Notary payment order (civil dispute)	Notary Payment order (trade dispute)	Claim (civil dispute)	Claim (trade dispute)
Costs for current state of facts	If one legal person 256,00 MKD	2 x 256,00 MKD = 512,00 MKD	If one legal person - 256,00 MKD	2 x 256,00 MKD = 512,00 MKD
Expert's opinion (up to 100.000,00 MKD)	3.000,00 MKD – 5.400,00 MKD	3.000,00 MKD – 5.400,00 MKD	3.000,00 MKD – 5.400,00 MKD	3.000,00 MKD – 5.400,00 MKD
Expert's opinion (from 100.001,00 MKD to 1.000.000,00 MKD)	5.401,00 MKD – 9.000,00 MKD	5.401,00 MKD – 9.000,00 MKD	5.401,00 MKD – 9.000,00 MKD	5.401,00 MKD – 9.000,00 MKD
Expert's opinion (from 1.000.000,00 MKD)	9.001,00 MKD – 15.000,00 MKD	9.001,00 MKD – 15.000,00 MKD	9.001,00 MKD – 15.000,00 MKD	9.001,00 MKD – 15.000,00 MKD
Claim writing (up to 10.000,00 MKD)	1.300,00 MKD	1.300,00 MKD	1.300,00 MKD	1.300,00 MKD
Claim writing (from 10.001,00 MKD to 50.000,00 MKD)	2.730,00 MKD	2.730,00 MKD	3.900,00 MKD	3.900,00 MKD
Claim writing (from 50.001,00 MKD to 100.000,00 MKD)	3.640,00 MKD	3.640,00 MKD	5.200,00 MKD	5.200,00 MKD
Claim writing (from 100.001,00 MKD to 300.000,00 MKD)	4.550,00 MKD	4.550,00 MKD	6.500,00 MKD	6.500,00 MKD
Claim writing (from 300.001,00 MKD to 600.000,00 MKD)	5.460,00 MKD	5.460,00 MKD	7.800,00 MKD	7.800,00 MKD

Notary reward;;

Clarification: According to the Notary Tariff of Republic of Macedonia, for actions undertaken by the notary public in connection with the receipt of a notary proposal, the issuing of a decision authorizing enforcement on the basis of an authentic document or referring the case to the competent court for further action and the decision-making and delivery of the decision to the parties, the notary shall be entitled to a reward in a single amount depending on the value of the submitted proposal.

Value: The price of the notary rewards up to 10.000,00 MKD is 500,00 MKD, from 10.000,00 MKD up to 20.000,00 MKD is 600,00 MKD, from 20.000,00 MKD up to 40.000,00 is 1.100,00 MKD, from 40.000,00 MKD up to 60.000,00 MKD is 1.600,00 MKD, from 60.000,00 MKD up to 100.000,00 MKD is 2.100,00 MKD. If the value of the proposal exceeds the amount of 100,000.00 MKD, besides the reward of 2.100,00 MKD, 2% is charged for each commencement of the Denar over 100,000.00 MKD, but not more than 18,000.00 MKD

Table 11: Notary reward

Notary Reward	Notary payment order (civil dispute)	Notary payment order (trade dispute)
up to 10.000,00 MKD	500,00 MKD	500,00 MKD
From 10.000,00 MKD to 20.000,00 MKD	600,00 MKD	600,00 MKD
From 20.000,00 MKD to 40.000,00 MKD	1.100,00 MKD	1.100,00 MKD
From 40.000,00 MKD to 60.000,00 MKD	1.600,00 MKD	1.600,00 MKD
From 60.000,00 MKD to 100.000,00 MKD	2.100,00 MKD	2.100,00 MKD
From 100.001,00 MKD to 600.000,00 MKD	If the value of the proposal exceeds the amount of 100,000.00 MKD, besides the reward of 2.100,00 MKD, 2% is charged on each MKD over 100,000.00 MKD, but not more than 18,000.00 MKD	If the value of the proposal exceeds the amount of 100,000.00 MKD, besides the reward of 2.100,00 MKD, 2% is charged on each MKD over 100,000.00 MKD, but not more than 18,000.00 MKD

Notary material costs;

Clarification: According to the Notary Tariff of Republic of Macedonia, when carrying out a procedure for adopting a decision authorizing enforcement on the basis of an authentic document, the notary public has the right to reimbursement of the expenses in full amount.

Value: The price for the notary material costs in this procedure is 250,00 MKD.

Table 12: Notary material expenses

Minor Value dispute cases	Notary payment order (civil dispute)	Notary Payment order (trade dispute)	Claim (civil dispute)	Claim (trade dispute)
Notary material expenses	250,00 MKD	250,00 MKD	250,00 MKD	250,00 MKD

Attorney reward for court hearing representation;

Clarification: The attorney at law will be rewarded for court hearing representation according to the Attorney tariff of Republic of Macedonia.

Value: The price for court hearing representation up to 10.000,00 MKD is 1.560,00 MKD, from 10.001,00 MKD up to 50.000,00 MKD is 4.680,00 MKD, from 50.001,00 MKD up to 100.000,00 MKD is 6.240,00 MKD, from 100.001,00 MKD up to 300.000,00 MKD is 7.800,00 MKD, from 300.001,00 MKD up to 600.000,00 MKD is 9.360,00 MKD.

Table 13: Costs of legal representation (per hearing)

Legal representation (per hearing)	Notary payment order (civil dispute)	Notary Payment order (trade dispute)	Claim (civil dispute)	Claim (trade dispute)
up to 10.000,00 MKD	1.560,00 MKD	1.560,00 MKD	1.560,00 MKD	1.560,00 MKD
from 10.001,00 MKD to 50.000,00 MKD]	4.680,00 MKD	4.680,00 MKD	4.680,00 MKD	4.680,00 MKD
Form 50.001,00 MKD to 100.000,00 MKD]	6.240,00 MKD	6.240,00 MKD	6.240,00 MKD	6.240,00 MKD
from 100.001,00 MKD to 300.000,00 MKD	7.800,00 MKD	7.800,00 MKD	7.800,00 MKD	7.800,00 MKD
from 300.001,00 MKD to 600.000,00 MKD	9.360,00 MKD	9.360,00 MKD	9.360,00 MKD	9.360,00 MKD

Attorney reward for drafting unexplained written submission;

Clarification: The attorney at law will be rewarded for drafting unexplained written submission according to the Attorney Tariff of Republic of Macedonia.

Value: The price for drafting unexplained written submission is 1.300,00 MKD.

Attorney reward for drafting explained written submission;

Clarification: The attorney at law will be rewarded for drafting explained written submission according to the Attorney Tariff of Republic of Macedonia.

Table 14: Costs of explained written submission

Explained written submission	Notary payment order (civil dispute)	NotaryPayment order (trade dispute)	Claim (civil dispute)	Claim (trade dispute)
up to 10.000,00 MKD	1.300,00 MKD	1.300,00 MKD	1.300,00 MKD	1.300,00 MKD
from 10.001,00 MKD to 50.000,00 MKD)	3.900,00 MKD	3.900,00 MKD	3.900,00 MKD	3.900,00 MKD
Form 50.001,00 MKD to 100.000,00 MKD)	5.200,00 MKD	5.200,00 MKD	5.200,00 MKD	5.200,00 MKD
from 100.001,00 MKD to 300.000,00 MKD	6.500,00 MKD	6.500,00 MKD	6.500,00 MKD	6.500,00 MKD
from 300.001,00 MKD to 600.000,00 MKD	7.800,00 MKD	7.800,00 MKD	7.800,00 MKD	7.800,00 MKD

Administrative tax for verdict;

Clarification: An appropriate administrative tax for verdict needs to be paid according to the Macedonian law on court fees.

Table 15: Administrative tax for verdict

Administrative tax for verdict	Notary payment order (civil dispute)	Notary Payment order (trade dispute)	Claim (civil dispute)	Claim (trade dispute)
up to 10.000,00 MKD	480,00 MKD	480,00 MKD	480,00 MKD	480,00 MKD
from 10.000,00 MKD to 20.000,00 MKD	800,00 MKD	800,00 MKD	800,00 MKD	800,00 MKD
from 20.000,00 MKD to 40.000,00 MKD	1.200,00 MKD	1.200,00 MKD	1.200,00 MKD	1.200,00 MKD
from 40.000,00 MKD to 60.000,00 MKD	1.600,00 MKD	1.600,00 MKD	1.600,00 MKD	1.600,00 MKD
from 60.000,00 MKD to 100.000,00 MKD	2.000,00 MKD	2.000,00 MKD	2.000,00 MKD	2.000,00 MKD
Above 100.000,00 MKD	2 % from the value of the claim	2 % from the value of the claim	2 % from the value of the claim	2 % from the value of the claim

Administrative tax for court settlement;

Clarification: An appropriate administrative tax for court settlement needs to be paid according to the Macedonian law on court fees.

Value: The price for an administrative tax for court settlement up to 10.000,00 MKD is 120,00 MKD, from 10.000,00 MKD up to 20.000,00 MKD is 200,00 MKD, from 20.000,00 MKD up to 40.000,00 MKD is 300,00 MKD, from 40.000,00 MKD up to 60.000,00 MKD is 400,00 MKD, from 60.000,00 MKD up to 100.000,00 MKD is 500,00 MKD, above 100.000,00 MKD 1/4 of 2% of the dispute value.

Table 16: Administrative tax for court settlement

Administrative tax for court settlement	Notary payment order (civil dispute)	Notary Payment order (trade dispute)	Claim (civil dispute)	Claim (trade dispute)
up to 10.000,00 MKD	120,00 MKD	120,00 MKD	120,00 MKD	120,00 MKD
from 10.000,00 MKD to 20.000,00 MKD	200,00 MKD	200,00 MKD	200,00 MKD	200,00 MKD
from 20.000,00 MKD to 40.000,00 MKD	300,00 MKD	300,00 MKD	300,00 MKD	300,00 MKD
from 40.000,00 MKD to 60.000,00 MKD	400,00 MKD	400,00 MKD	400,00 MKD	400,00 MKD
from 60.000,00 MKD to 100.000,00 MKD	500,00 MKD	500,00 MKD	500,00 MKD	500,00 MKD
Above 100.000,00 MKD	1/4 from 2 % of the claim value	1/4 from 2 % of the claim value	1/4 from 2 % of the claim value	1/4 from 2 % of the claim value

Attorney reward for drafting an Appeal;

Clarification: The attorney at law will be rewarded for drafting an appeal according to the Attorney Tariff of Republic of Macedonia.

Value: The price for drafting an appeal up to 10.000,00 MKD is 2.600,00 MKD, from 10.001,00 MKD up to 50.000,00 MKD is 7.800,00 MKD, from 50.001,00 MKD up to 100.000,00 MKD is 10.400,00 MKD, from 100.001,00 MKD up to 300.000,00 MKD is 13.000,00 MKD, from 300.001,00 MKD up to 600.000,00 MKD is 15.600,00 MKD.

Table 17: Costs of drafting an appeal

Drafting an appeal	Notary payment order (civil dispute)	Notary Payment order (trade dispute)	Claim (civil dispute)	Claim (trade dispute)
up to 10.000,00 MKD	2.600,00 MKD	2.600,00 MKD	2.600,00 MKD	2.600,00 MKD
from 10.001,00 MKD to 50.000,00 MKD]	7.800,00 MKD	7.800,00 MKD	7.800,00 MKD	7.800,00 MKD
Form 50.001,00 MKD to 100.000,00 MKD]	10.400,00 MKD	10.400,00 MKD	10.400,00 MKD	10.400,00 MKD
from 100.001,00 MKD to 300.000,00 MKD	13.000,00 MKD	13.000,00 MKD	13.000,00 MKD	13.000,00 MKD
from 300.001,00 MKD to 600.000,00 MKD	15.600,00 MKD	15.600,00 MKD	15.600,00 MKD	15.600,00 MKD

Administrative tax for an Appeal;

Clarification: An appropriate administrative tax for an appeal needs to be paid according to the Macedonian law on court fees.

Table 18: Administrative tax for an Appeal

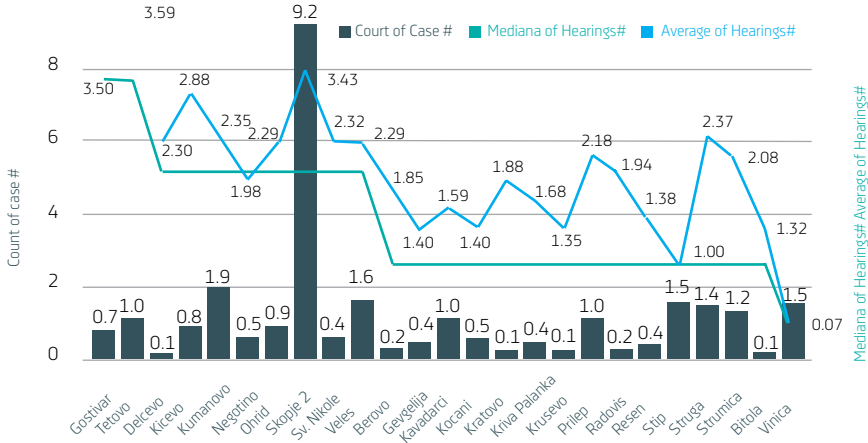
administrative tax for an appeal	Notary payment order (civil dispute)	Notary Payment order (trade dispute)	Claim (civil dispute)	Claim (trade dispute)
up to 10.000,00 MKD	960,00 MKD	960,00 MKD	960,00 MKD	960,00 MKD
from 10.000,00 MKD to 20.000,00 MKD	1.600,00 MKD	1.600,00 MKD	1.600,00 MKD	1.600,00 MKD
from 20.000,00 MKD to 40.000,00 MKD	2.400,00 MKD	2.400,00 MKD	2.400,00 MKD	2.400,00 MKD
from 40.000,00 MKD to 60.000,00 MKD	3.200,00 MKD	3.200,00 MKD	3.200,00 MKD	3.200,00 MKD
from 60.000,00 MKD to 100.000,00 MKD	4.000,00 MKD	4.000,00 MKD	4.000,00 MKD	4.000,00 MKD
Above 100.000,00 MKD	2 x 2 % of the claim value	2 x 2 % of the claim value	2 x 2 % of the claim value	2 x 2 % of the claim value



4. Outlier Hearings and Cause and Effect Diagram Method

Having in mind that conducting court hearings is the main cost driver for parties involved as well as for budget funds, initial assessment was made related to average number of hearings conducted in individual court. The analysis covered three-year period (from 2015 to 2017) and 27,002 minor dispute cases in 25 courts.

Figure 1: Distribution of number of cases, median and average number of hearings per court, three-year period (2015-2017)



The above graph depicts number of cases processed presented as blue bar, median number of hearings as blue line and average number of hearings as red line. Due to existence of outliers in relation to the number of hearings, the average values are higher compared to median²³ values, as average values were affected by the extremes.

In example, courts in Gostivar and Tetovo have three hearings as median value, while the average number of hearings is 3.5 and 3.59 respectively. Similarly, Skopje 2 court had median vale of two court hearings, while average number of court hearings was 3.43.

To gain further insight into the issue of extreme number of hearings per case driving average values from the median values, a boxplot diagram was constructed.

In descriptive statistics, a box plot or boxplot is a method for graphically depicting groups of numerical data through their quartiles. Box plots may also have lines extending vertically from the boxes (whiskers) indicating variability outside the upper and lower quartiles, hence the terms box-and-whisker plot and box-and-whisker diagram. Statistical data are presented on a plot in which a rectangle is drawn to represent the second and third quartiles, usually with a horizontal line inside to indicate the median value, and in our case white circle to represent mean or average value. Outliers are plotted as individual green dots. The spacings between the different parts of the box indicate the degree of dispersion (spread) and skewness in the data, and show outliers. In addition to the points themselves, they allow one to visually estimate various estimators, notably the interquartile range, midhinge, range, mid-range, and trimean. Boxplots received their name from the box in the middle, which cover 50% of dataset.

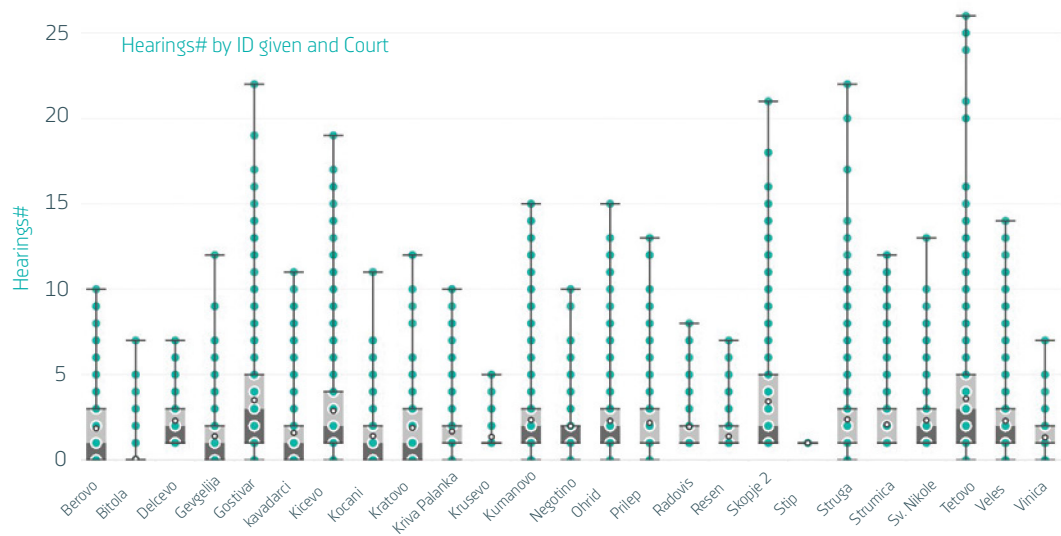
²³ The "median" is the "middle" value in the list of numbers. For a continuous probability distribution, the median is the value such that a number is equally likely to fall above or below it. The median is a commonly used measure of the properties of a data set in statistics and probability theory.

Here are the types of observations one can make from viewing a boxplot:

- >>>What the key values are, such as: the average, median 25th percentile etc.
- >>>If there are any outliers and what their values are?
- >>>Is the data symmetrical?
- >>>How tightly is the data grouped?
- >>>If the data is skewed and if so, in what direction?

For the purpose of our exercise, we considered that 10 or more hearings per one court case are considered as extremely high. In that regard, 18 out of 25 courts (or 72%) had cases with 10 or more hearings conducted (see chart below, green dots above red line represents outliers with more than 10 hearings per case).

Figure 2: Distribution of number of hearings per court and case, three-year period (2015-2017) presented as boxplot



Finally, 643 cases with 10 or more hearings were identified in 18 courts. Majority of these cases are in Skopje 2 court (466 or 72.5%) followed by Tetovo (44 or 6.8%), Gostivar (26 or 4.0%), Kicevo (24 or 3.7%), Kumanovo (22 or 3.4), Struga (17 or 2.6%) and so forth as depicted in the table below.

Table 19: Courts with more than 10 hearings per single case, three-year period (2015-2017)

Court	Median of Estimated Court and Attorney Fees	Court of case#	Median of Case value	Min of Hearings#	Median of Hearings#	Average of Hearings#	Max of Hearings#	Median of Case Duration	Median of Calculated Court fee	Median of Attorney fees per case value per hearing
Skopje 2	82,629	466	72.47%	113,358	10	11	11.56	21	830	2,267
Tetovo	81,217	44	6.84%	82,523	10	13	13.91	26	348	2,000
Gostivar	19,980	26	4.04%	0	10	13	12.96	22	623	480
Kicevo	85,399	24	3.73%	149,628	10	11	12.38	19	406	2,992
Kumanovo	83,892	22	3.42%	135,000	10	11	11.82	15	531	2,700
Struga	81,111	17	2.64%	48,000	10	11	12.71	22	412	1,600
Ohrid	94,389	8	1.24%	186,740	10	12	11.88	15	693	3,734
Strumica	70,608	8	1.24%	83,900	10	11	11.00	12	230	1,878
Veles	85,308	8	1.24%	116,322	10	11	11.50	14	369	2,326
Prilep	60,680	6	0.93%	50,393	10	11	11.17	13	419	1,600
Kratovo	68,373	4	0.62%	192,870	10	12	11.50	12	202	4,133
Kavadarci	68,680	2	0.31%	103,250	10	11	10.50	11	239	2,379
Kriva Palanka	72,213	2	0.31%	99,937	10	10	10.00	10	151	2,012
Sv. Nikole	65,560	2	0.31%	53,100	10	12	11.50	13	388	1,600
Berovo	48,400	1	0.16%	46,125	10	10	10.00	10	969	1,600
Gevgelija	95,979	1	0.16%	118,970	12	12	12.00	12	468	2,379
Kocani	52,680	1	0.16%	36,750	11	11	11.00	11	886	1,200
Negotino	81,506	1	0.16%	175,300	10	10	10.00	10	567	3,506
Total	81,441	643	100.00%	107,516	10	11	11.83	26	734	2,150

Again, having in mind that conducting court hearings are the main cost driver for parties involved as well as for budget funds, the logical first question would be why these repeated hearings are happening. The next question would be how to discover the cause for unusually high number of hearings and how to impact it in order to reduce number of hearings to reasonable number.

Solution for this problem could be provided by the “Cause and Effect Diagram” also known as “Fishbone” or “Ishikawa Diagram”. Cause and effect diagram is one of the investigating tools available in Quality Management. Cause and Effect Analysis was devised by Professor Kaoru Ishikawa, a pioneer of quality management, in the 1960s. The technique was then published in his 1990 book, «Introduction to Quality Control. «The diagrams that is created with Cause and Effect Analysis are known as Ishikawa Diagrams or Fishbone Diagrams (because a completed diagram can look like the skeleton of a fish).

The cause-and-effect diagram is a method for analyzing process dispersion. The diagram's purpose is to relate causes and effects. Three basic types: Dispersion analysis, Process classification and cause enumeration. Effect = problem to be resolved, opportunity to be grasped, result to be achieved. It is excellent for capturing survey or qualitative research output and for filling in from the «wide picture». It helps organize and relate factors, providing a sequential view. It also deals with time direction but not quantity. The diagram can become very complex or can be difficult to identify or demonstrate interrelationships.

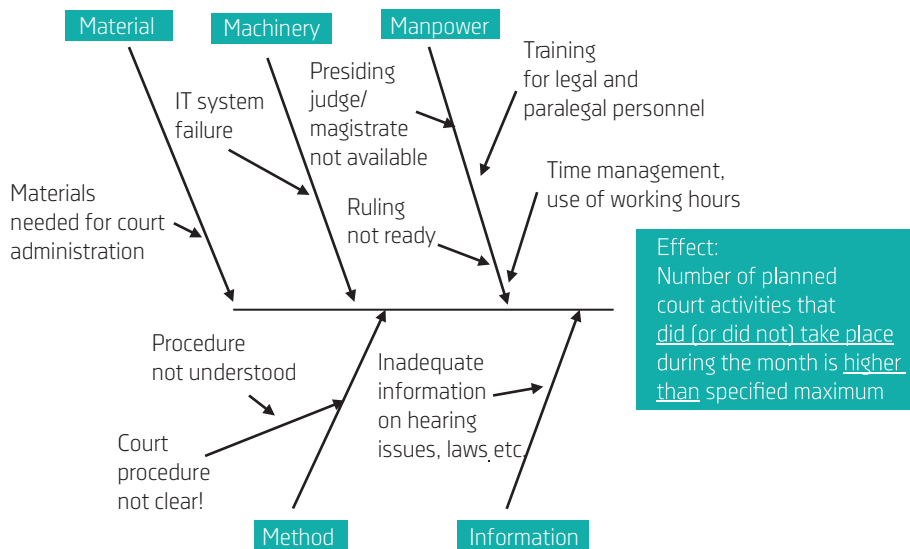
Faced with a serious problem, it's important to explore all of the things that could cause it, before starting to think about a solution. That way the problem can be solved completely, first time round, rather than just addressing part of it and having the problem run on and on. Cause and Effect Analysis gives a useful way of doing this. The diagram-based technique, which combines Brainstorming with a type of Mind Map, pushes the researcher to consider all possible causes of a problem, rather than just the ones that are most obvious.

Cause and Effect Analysis was originally developed as a quality control tool, but the technique can use just as well in other ways. For instance, it can be used to:

- >>>Discover the root cause of a problem.
- >>>Uncover bottlenecks in the processes.
- >>>Identify where and why a process is not working.

Before taking up a problem for detailed study, its necessary to list down all the possible causes through brainstorming session so that no important cause is missed out. The causes are then divided into major causes or variables. Generally, this variable would come under what is termed as 4ms i.e. manpower, machine, material, and method. Each of these causes or variables are then divided into sub-causes or sub-variables. All these identified variables or causes together with the sub-causes or sub-variables are put in the form of a diagram having a resemblance with a fish-bone relating to causes and effects, as shown below:

Figure 3: Cause & Effect diagram (also known as the “fishbone” or Ishikawa diagram)



There are four steps in developing Ishikawa diagram:

1. Identify the problem
2. Work out the major factors involved.
3. Identify possible causes.
4. Analyze your diagram.

Step 1: Identify the Problem

First, write down the exact problem. Where appropriate, identify who is involved, what the problem is, and when and where it occurs.

Then, write the problem in a box on the left-hand or right-hand side of a large sheet of paper, and draw a line across the paper horizontally from the box. This arrangement, looking like the head and spine of a fish, gives you space to develop ideas.

For the purpose of this exercise, number of excessive court hearings was identified as the exact problem. Namely, 643 cases with 10 or more hearings were identified in 18 courts. Majority of these cases are in Skopje 2 court (466 or 72.5%) followed by Tetovo (44 or 6.8%), Gostivar (26 or 4.0%), Kicevo (24 or 3.7%), Kumanovo (22 or 3.4), Struga (17 or 2.6%) and so forth as depicted in the Table 28.

Step 2: Work Out the Major Factors Involved

Next, identify the factors that may be part of the problem. These may be systems and procedures, equipment, materials, external forces, people involved with the problem, and so on. Try to draw out as many of these as possible. As a starting point, you can use models such as the McKinsey 7S Framework (which offers you Strategy, Structure, Systems, Shared values, Skills, Style and Staff as factors that you can consider).

Brainstorm any other factors that may affect the situation. Then draw a line off the “spine” of the diagram for each factor, and label each line.

In example, research team identifies the following factors, and adds these to his diagram:

- >>>Personnel
- >>>Procedures
- >>>Materials
- >>>Equipment
- >>>Others

Step 3: Identify Possible Causes

Now, for each of the factors considered in step 2, brainstorm any possible causes of the problem that may be related to the factor.

Show these possible causes as shorter lines coming off the «bones» of the diagram. Where a cause is large or complex, then it may be best to break it down into sub-causes. Show these as lines coming off each cause line.

For each of the factors identified in step 2, the research team brainstorms possible causes of the problem, and adds these to their diagram. Examples of possible causes for excessive number of hearings are listed below:

Personnel

- a)Time management, use of working hours
- b)Presiding judge/magistrate not available
- c)Ruling not ready
- d)Insufficient training for legal and paralegal personnel
- e)Sick leave

Procedures

- a)Procedure not understood
- b)Court procedure not clear!
- c)No map of business processes in the court
- d)No “process owner”
- e)Delaying tactic of parties in the court process not addressed properly.

Materials

- a)Materials needed for court administration not sufficient

Equipment

- a)IT system failure
- #### Information
- a)Inadequate information on hearing issues, laws etc.
 - b)Inadequate information delivered to the parties
 - c)Unavailable and insufficient information for court proceedings

Step 4: Analyze Diagram

By this stage research team should have a diagram showing all of the possible causes of the problem that they can think of.

Depending on the complexity and importance of the problem, research team can now investigate the most likely causes further. This may involve setting up brainstorming sessions, carrying out surveys, checking the actual court case files and so on. These will be designed to test which of these possible causes is actually contributing to the problem.

The research team has now finished his Cause and Effect Analysis and discovered the root cause(s) of the problem and prepared the new strategy, and talked through any problems that the court staff may be experiencing.

Benefits of Ishikawa Diagram

- >>>It helps the management and research team to determine the root causes of a problem or quality characteristic using a structured approach.
- >>>It encourages group participation and utilizes group knowledge especially during the brainstorming exercise.
- >>>It indicates possible causes of variations or dispersion in a process.
- >>>It helps in identifying areas where data should be taken or collected for further study.
- >>>It also allows the management team to identify and graphically display all the possible causes related to a process, procedure or system failure.

The background features a light gray grid of thin, intersecting lines. Scattered across this grid are several teal-colored squares and rectangles of various sizes. Some are solid, while others are slightly blurred, creating a sense of depth. The overall aesthetic is modern and minimalist.

5. Conclusions

Court Budget Incurred Costs (court budget cost per minor value dispute case)

Calculated statistically significant coefficient or cost per case for civil and litigious cases is MKD 3,473 (or €56²⁴) with 95% confidence interval range from MKD 3,006 to MKD 3,941 (or from €49 to €64). In other words, one may assume that minor value disputes budget costs per case are also in range from MKD 3,006 to MKD 3,941 (or from €49 to €64), or rather close to this range.

In that regard, the budget cost of solving 26,038²⁵ minor value disputes solved during the three-year period (from 2015 to 2017) is estimated to be cca. MKD 90,419,555 (or €1,469,520) what could have possibly been saved if other dispute solving options were used (i.e. mediation). In other words, rough estimate is that in average, € 500 thousand would have been saved annually if other dispute solving options were used.

Having in mind relatively high costs related to court system (see appendix Total Court Budget vs Annual Public Expenditure) mentioned cost reduction could bring court budget closer to average values of the CoE member states. Namely, 2014 total court budget makes 2.14% of annual public expenditure of Macedonia²⁶ and is almost three times higher than the CoE member states average which is 0.8%. In other words, percentage of public spending devoted to court budgets is the highest in Macedonia compared to other CoE member states.

Party Incurred Costs

It is estimated that total costs including court fees and attorney fees with two hearings outweigh benefits for minor value dispute cases with case value below MKD 3,600 (or € 59). For case values above MKD 3,600 (or € 59) benefits outweigh estimated total costs. It needs to be noted that majority of minor value dispute cases are closed with two or more hearings (average number of hearings in 2017 was 2.12 what represents drop from 2.66 in 2015). In example, 69% and 84% of minor value dispute cases are closed with two or more hearings in Basic Court Gostivar and Basic Court Shtip respectively. In other words, it does not make economic sense to go to court for disputes bellow MKD 3,600 (or € 59).

It is estimated that total costs including court fees and attorney fees with three hearings outweigh benefits for minor value dispute cases with case value below MKD 12,700 (or € 206). For case values above MKD 12,700 (or € 206) benefits outweigh total estimated costs. Initial assessment made assumed that the most of the cases in Basic Court Skopje are solved with three hearings. Actual numbers provided showed that average number of hearings in 2017 in Basic Court Skopje was 2.7 what represents drop from 4.0 hearing per case in 2015. Having that in mind, it does not make economic sense to go to Basic Court Skopje for disputes bellow MKD 12,700 (or € 206).

24 Exchange rate MKD 61.53 to 1 EUR.

25 Estimated as 27,002 initiated cases during the three year period minus 976 cases with no dispatch date (still open cases) = 26,038 cases

26 The total annual amount of public expenditure includes all expenses made by the (federal) state or (federal) public bodies, including public deficits.

If compared to average monthly net wage²⁷, it is estimated that it takes more than half (or 55%) of average net wage to have a small value dispute in Basic Court Skopje. On the other hand, it is estimated that it takes 15% of average monthly net wage to have a small value dispute in Basic Court Gostivar and Basic Court Shtip.

Finally, it is highly recommended to produce evidence based "Cause and Effect Diagram" as presented in Chapter 4 above, explaining the problem of excessive number of hearings using representative sample selected from 643 cases with 10 or more court hearings. Namely, 643 cases with 10 or more hearings were identified in 18 courts. Majority of these cases are in Skopje 2 court (466 or 72.5%) followed by Tetovo (44 or 6.8%), Gostivar (26 or 4.0%), Kicevo (24 or 3.7%), Kumanovo (22 or 3.4), Struga (17 or 2.6%) and so forth as depicted in the Table 28.

27 Average monthly net wage in May 2017 was MKD 22,889. Source: http://www.stat.gov.mk/Default_en.aspx accessed on 10.08.2017.

Appendix

TOTAL COURT BUDGET VS ANNUAL PUBLIC EXPENDITURE IN 2014²⁸

Country	Q2.1.1. Annual public expenditure (State level) in €	Q8.1.1. Total budget (courts) in €	Total court budget vs Annual public expenditure (State level)
The FYRO Macedonia	1,441,000,000	30,833,675	2.14%
Poland	66,523,473,242	1,405,850,000	2.11%
Switzerland	56,129,376,000	1,111,423,623	1.98%
Bosnia and Herzegovina	5,795,805,610	83,657,645	1.44%
Andorra	507,904,545	6,231,437	1.23%
Ukraine	20,241,967,226	244,189,579	1.21%
Russian Federation	298,300,293,930	3,184,300,240	1.07%
Montenegro	1,890,754,552	19,908,315	1.05%
Romania	52,010,307,668	533,090,063	1.02%
Serbia	15,533,274,691	155,788,380	1.00%
Slovakia	15,591,320,000	151,291,595	0.97%
Latvia	5,322,754,264	51,305,248	0.96%
Slovenia	18,582,000,000	164,850,383	0.89%
Croatia	18,855,101,030	163,302,114	0.87%
Bulgaria	16,607,797,523	136,407,333	0.82%
Lithuania	7,854,039,330	62,969,474	0.80%
Republic of Moldova	2,382,531,977	19,058,415	0.80%
Spain	423,227,347,310	3,050,594,663	0.72%
Armenia	2,237,000,000	15,528,020	0.69%
France	463,300,000,000	3,123,051,554	0.67%
Georgia	3,268,837,113	20,939,664	0.64%
Hungary	53,233,901,490	283,479,317	0.53%
Czech Republic	65,392,858,431	345,730,027	0.53%
Finland	54,587,000,000	277,295,000	0.51%
Portugal	84,728,800,000	414,114,841	0.49%
Italy	603,025,223,161	2,945,513,378	0.49%
Azerbaijan	21,070,153,329	102,485,992	0.49%
Estonia	8,018,188,425	38,589,501	0.48%
Albania	3,134,000,000	14,821,816	0.47%
Malta	3,435,413,000	13,115,466	0.38%
Netherlands	306,527,000,000	1,068,474,000	0.35%
Cyprus	8,413,270,610	26,287,423	0.31%
Sweden	215,312,490,100	609,190,589	0.28%
Denmark	88,190,700,736	240,945,242	0.27%
Ireland	72,304,000,000	104,565,000	0.14%
Norway	174,410,178,800	205,000,000	0.12%

28 Source: CEPEJ STAT Internet site

Average	90,482,946,225	567,338,306	0.80%
Median	19,548,534,128	159,545,247	0.71%
Standard deviation	147,896,443,194	957,141,772	0.50%
Minimum	507,904,545	6,231,437	0.12%
Maximum	603,025,223,161	3,184,300,240	2.14%



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