



Rural Institutional Innovation: Can Village Courts in Bangladesh Accelerate Access to Justice and Improve Socio-Economic Outcomes?

The government of Bangladesh is trying to strengthen local justice systems in rural areas by establishing close-to-home, low-cost village courts that adjudicate minor disputes between residents. Innovations for Poverty Action is working with researchers to evaluate the impact of the village court system on access to and quality of justice as well as socioeconomic outcomes.

Intervention

Overseen by the lowest tier of rural government, the Union Parishad (UP), the village courts are intended to increase access to the justice in rural areas. In theory, these courts should be able to resolve small disputes among local residents at low cost. In practice, the courts have not been set up in most UPs and usage of the courts has been low even three years after the passing of the Village Courts Act.

To improve the effectiveness of the village courts, in 2009 the government of Bangladesh launched a pilot program called Activating Village Courts in Bangladesh (AVCB). The AVCB program makes VCs functional by providing materials, human capital support, training, and awareness raising campaigns. Functional VCs are located almost exclusively within UPs that have received the AVCB program, while UPs outside the program have not created functional VCs.

The AVCB was rolled out as a randomized controlled trial in Dhaka and Chittagong divisions, the two most populous divisions of Bangladesh. Out of 267 eligible Ups, 178 were randomly assigned to receive the program, with a control group of 89 UPs not receiving the program. It is this randomization that allows us to study the causal effects of the AVCB program.

Highlights

- **Efforts of UP Officials:** AVCB program increased the stated effort among UP officials in resolving cases using the VC. UP officials of the treatment UPs on average spent approximately 1.5 times more in resolving cases using the VC.
- **Propensity to use VC:** While the AVCB program is clearly effective in raising the stated propensity to resolve disputes in VC, the magnitude of the increase is not particularly large. It is analyzed using four hypothetical cases within the jurisdiction of the VC.
- **Awareness of VC:** AVCB program was not only effective in activating VCs but also at increasing the awareness of the active VCs. Although the program raised awareness it did not reach complete awareness and even in the treatment group more than two thirds of the households did not know that there was an active VC in their UP.
- **Dispute resolution using various mechanisms:** AVCB program did indeed increase the use of VCs, but the magnitude of the effect is limited. Interestingly, the number of cases being resolved in District Courts does not decrease with the AVCB program, if anything it may have increased slightly.
- **Cost and quality of dispute resolution:** Neither the AVCB program substantially changed how pre-existing disputes were resolved, nor it has a noteworthy impact on the overall cost and quality of the resolved disputes.
- **Communal harmony:** AVCB program increased the perception of communal harmony which may be because it allowed for better resolution of disputes leading to less fighting between neighbors.

Different Level of Surveys

Data were collected at different levels to accumulate information from multiple aspects.

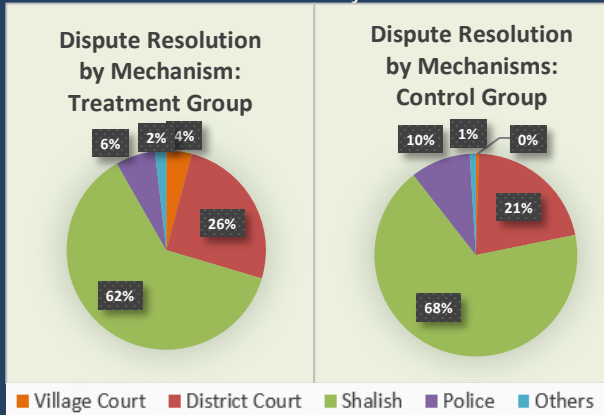
Household Survey
(5268 Households)

UP Officials and Representative Survey
(788 Interviews)

District Court Data
(7 District Courts)

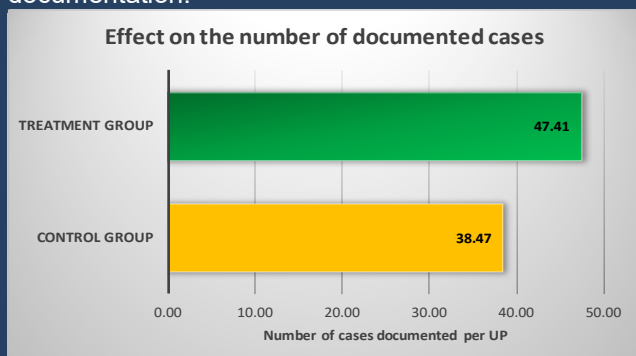
VC Administrative Data
(174 Unions)

While the AVCB program did indeed activate the VCs, the VCs remained a relatively minor institution when it came to overall dispute resolution. Even in the UPs where the AVCB program had been implemented, only 4% of the resolved disputes were resolved in the VC two years following AVCB implementation. In comparison, 62% were still resolved in Shalish and 26% by the District Courts.



VC system documents cases in a systematic way and the individuals who have had disputes resolved in a VC have documentation to prove the outcome of that resolution. AVCB program changed the ways in which cases were documented in UPs. We found that the overall number of documented cases from August, 2018 to July 2019 is more than three times higher in the UP's that received treatment. Among the 21 forms of VC, 7 forms are required to be maintained irrespective of the nature of cases and resolution. And as the graph indicates, the treated unions have higher tendency to use the necessary forms for the cases received in VC.

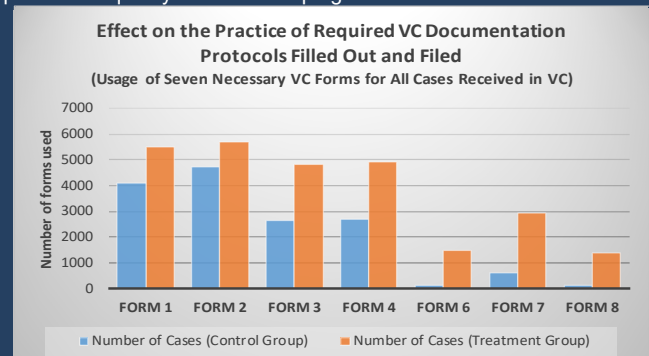
The AVCB program does not only increase the number of cases documented in the VC system, it also substantially increases the quality of the documentation.



Major findings

- We find that the AVCB program was successful in activating the VCs
 - In areas with the AVCB program, UP officials were more knowledgeable about the VCs and they spent more time on resolving disputes through the VC system
 - In areas with the AVCB program, more records were kept regarding disputes resolved in the VC system and the records that were kept were of a higher quality (all required forms were available)
- We find that when VCs are activated households use the VCs to a greater degree
 - In areas with the AVCB program, more respondents state that they would use the VC to resolve hypothetical disputes
 - The AVCB program also leads to more households actually resolving disputes in the VC
- Although the AVCB program increases usage of VCs, the program does not radically change how disputes are resolved
 - There is an increase in the fraction of cases resolved by VCs but the most common dispute resolution mechanism is still by far shalish
 - The AVCB program does not decrease the number of cases brought to District Courts
- Given that the AVCB program only marginally changes the way disputes are resolved, it does not affect the majority of subjective measures of wellbeing
 - Subjective measures of how large of a problem unresolved disputes or crime in general are, were not affected by the program
 - Similarly, subjective measures of trust did not increase with the program
 - We find a positive effect on communal harmony between neighbours
 - We also find a weak positive effect on the overall satisfaction with the justice system but this is concentrated among those who had disputes in the baseline period and is not statistically significant for the population overall
- Finally, we find no effects on economic activity. This is not surprising given the AVCB programs small changes to dispute resolution overall

(Note: To test the effect of the AVCB program, we used standard regression framework. The estimated treatment effect is both positive and highly significant in both cases which indicates that the AVCB program improved the quality of record keeping for the cases that were recorded.)



Recommendations

If the policy goal is to improve adherence to the Village Court Act and Procedures, then the AVCB program is very successful in increasing procedural compliance as well as exerting effort from the UP officials in making village courts functional. If the policy goal is to improve access to justice for small disputes, then AVCB program is moderately successful in moving households to resolve their real and hypothetical disputes in the village courts. However, the AVCB program did not reduce the average costs and time that the disputants face throughout the dispute resolution process.

If, on the other hand, the policy goal is to contribute to more downstream outcomes such as reducing disputes, increasing trust, and increasing economic activities that rely on the enforcement of informal or verbal contracts, then the village courts do not have significant impact. However, functional village courts improved communal harmony among the neighbors. Since most of the villagers yet are not aware of village courts, even in the treatment group, and a few of them are resolving disputes in village courts, there is a possibility that the downstream impact will be higher in the future if the awareness and the demand for village courts increases. We recommend that the AVCB program shall increase effort in raising awareness about the village courts.

About this brief

This brief is based on an impact evaluation report by Mushfiq Mobarak, Martin Mattsson, John Hideto Mori, Shambhavi Tiwari, Mohammad Ashraful Haque, Mohammad Riad Uddin and Proma Saha, [*Rural Institutional Innovation: Can Village Courts in Bangladesh Accelerate Access to Justice and Improve Socio-economic Outcomes?*](#)