A TOOL FOR JUSTICE

THE COST BENEFIT ANALYSIS OF LEGAL AID

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THE GLOBAL JUSTICE GAP

- 235 million people live in extreme conditions of injustice
- 1.5 billion people cannot resolve their justice problems
- 4.5 billion people are excluded from the opportunities the law provides

(Source: UN Task Force on Justice, Justice for All, 2019)

This “justice gap” undermines development, reinforces the poverty trap and imposes high societal costs. It is therefore a development challenge that is relevant for the World Bank mission of fighting poverty and increasing shared prosperity.

Access to legal aid is central to ensuring access to justice to the poorest and most vulnerable people.
LEGAL AID – THE RIGHT THING TO DO

- Beyond intrinsic arguments for legal aid, economic arguments also support investments in justice and legal aid in particular.

- Data shows that there is a clear correlation between access to justice and human capital formation.

- Unaddressed legal needs affect individuals, their families, the justice system, the economy and society at large.

- In countries affected by fragility and conflict access to justice can help prevent and mitigate the risk of fragility, conflict and violence.

“In short, we now understand that justice and governance are no less important to equitable and sustainable development than good schools, functioning health clinics, and passable roads.”
James A. Goldston, Remarks to UN General Assembly, 2014
DATA MAKE THE CASE FOR LEGAL AID

Growing body of research on legal aid needs

Increasing evidence of high cost of non-intervention

BUT: There has been a gap in qualitative and quantitative data providing evidence to policy makers that investments in legal aid services should be integral part of social spending.

“A Tool for Justice” is contributing to closing this data gap, by:

- presenting data drawn from cost-benefit analyses of legal aid around the world and their conclusions; and
- providing a methodology for carrying out cost-benefit analysis of legal aid.
# Findings About Types of Costs and Benefits

## Table 1. Summary of the Common Costs of Unmet Legal Needs and the Benefits of Legal Aid Programs

<table>
<thead>
<tr>
<th>Cost/Benefits</th>
<th>Direct</th>
<th>Indirect</th>
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<tbody>
<tr>
<td><strong>Tangible</strong></td>
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| **To the Individual and Society:** | Property damage  
- Medical and mental health care  
- Government legal aid and related social services  
- Lost income for unpaid work days  
- Legal fees | Productivity losses for unpaid workdays  
- Increased probability of mortality and morbidity  
- Lost housework  
- Tax losses |
| **To the Justice System:** | Pre-trial detention  
- Prosecution  
- Incarceration  
- Court expenses associated with legal cases (e.g., filing, court staff time for record keeping etc.) | Court efficiency gains/losses from the provision of legal assistance  
- Court efficiency loss due to self-representing clients |
| **Intangible** |        |          |
| **To the Individual and Society:** | Pain, suffering and quality of life losses  
- Behavioral problems and performance decline and lost education of children | Feelings of disempowerment/empowerment  
- Increased/decreased trust in the justice system |
| **To the Justice System:** | Skills of legal aid clients and self-represented litigants developed as a result of capacity building training | Social clout and feelings of empowerment |
According to the narrow cost-benefit analyses, the economic benefits of legal aid investment outweigh the costs.

Broader cost-benefit analyses that account more extensively for the indirect economic benefits show an even higher impact. These analyses are more challenging to carry out and require a somewhat data-rich environment.


Legal aid can deliver substantive savings for governments. In the UK, for every £1 of legal aid expenditure on housing advice, the state potentially saves £2.34, on debt advice £2.98, on social welfare advice £8.80 and on employment advice £7.13.

The provision of legal aid also brings cost savings to the justice system itself.
### HOW TO CONDUCT A COST BENEFIT ANALYSIS ON LEGAL AID?

<table>
<thead>
<tr>
<th>Step 1</th>
<th>• Analyze the social, economic, political and institutional <strong>framework of the project</strong> in the selected jurisdiction.</th>
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<td>Step 2</td>
<td>• Define the objectives and the monitoring and evaluation <strong>indicators</strong> of the analysis.</td>
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<td>Step 3</td>
<td>• Conduct comparative <strong>financial</strong> analyses that weigh the costs and benefits of two alternatives: the “with-project” and “without-project” scenarios. Calculate the financial indicators.</td>
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<td>• Conduct comparative <strong>economic</strong> analyses that weigh the costs and benefits of the two scenarios. Calculate the economic indicators.</td>
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<tr>
<td>Step 5</td>
<td>• Undertake a <strong>risk assessment</strong> of the “with-project” scenario and analyze the possible effects on the financial and economic performance indicators.</td>
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</table>
YOU CAN MAKE A DIFFERENCE

In interaction with client countries the World Bank utilizes qualitative and quantitative data and findings of cost-benefit analyses such as the ones presented in “A Tool for Justice” to make the case for investments in legal aid, in particular to improve the lives of poor and marginalized people.

Be the advocate for these people’s needs!
Thank you!