

# EQM Research Seminar

“Impacts on efficiency of merging the Swedish district courts”

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## **Abstract:**

Judicial courts form a stringent example of public services using partially sticky inputs and outputs with heterogeneous quality. Notwithstanding, governments internationally are striving to improve the efficiency and diminish the budget spent on court systems. Frontier methods such as Data Envelopment Analysis (DEA) are sometimes used in investigations of structural changes in the form of mergers. We review the methods used to evaluate the ex post efficiency of horizontal mergers. Identification of impacts is difficult. Therefore, we apply three analytical frameworks; 1) a technical efficiency comparison over time, 2) a metafrontier approach among mergers and non-mergers and 3) a conditional difference-in-difference (cDID) approach where non-merged twins of the actual mergers are identified by matching. In addition, both time-heterogeneity and sources of efficiency change are examined ex post. We apply our method to evaluate the impact on efficiency of merging the Swedish district courts from 97 to 48 between 1999 and 2009. Whereas the stated ambition for the mergers was to improve efficiency, no structured ex post analysis has been done. Swedish courts are shown to improve efficiency from merging. In addition to the particular application, our work may inform a more general discussion on public service efficiency measurement under structural changes, its limits and potential.

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- **Lille: Room E220, 7 rue Solférino**
- **Paris: Visio Room PR14, Promenade building**

