

# TROIKA'S PORTUGUESE MINISTRY OF JUSTICE EXPERIMENT, PART III: MOU RESULTS BASED ON AN EMPIRICAL STUDY OF SPECIAL REVITALIZATION PROCEDURE PERFORMANCE

**Authors:** Pedro Miguel Alves Ribeiro Correia, Mariana Teles Viegas Cruz Dias, Débora Lopes Gonçalves, Zinga Daniela Joaquim Novais, Sandra Patrícia Marques Pereira

**Abstract:** This article constitutes part III of a series of evaluations on the impact of measures approved and implemented by the Portuguese Ministry of Justice. Predominantly, it reports the results at the level of the Special Revitalization Procedure (PER), a new type of civil action created as a result of the goals inscribed in the MoU ratified by Portugal and the so called Troika (EC/ECB/IMF). The investigation incorporates statistical inference analysis of outcomes attained not only during the *Troika's* period but during the post-*Troika's* period as well. As was the case for the civil enforcement actions, results confirm the existence of statistical differences among the two different periods under scrutiny and suggest a tangible impact of the MoU implemented measures on the Portuguese judicial system.

**Keywords:** *Troika*; Memorandum of Understanding (*MoU*); Portuguese Ministry of Justice; Special Revitalization Procedure (PER); Public Policy Evaluation.

## 1. Introduction

The global financial system has been passing through its biggest crisis, in the post-war period<sup>1</sup>.

This global financial crisis started in 2007, causing a decrease in economic growth which affected the entire European Union<sup>2</sup>, and specially, some Member States such as Greece, Portugal, and Ireland<sup>3</sup>. In 2009 the Eurozone faced four main problems: the lack of liquidity of the banks; the difficulty to repay the public debt; the excessive deficits of member states; and finally the severe decrease in economic growth which led to recession.

<sup>&</sup>lt;sup>3</sup> Saurugger and Terpan (2016).







<sup>&</sup>lt;sup>1</sup> Bechtel et al. (2014).

<sup>&</sup>lt;sup>2</sup> Tosun et al. (2014).



In order to solve the issues above, a core group of Member States backed by the European Council, the European Commission, the European Central Bank and the International Monetary Fund, defended the necessity of enforce stern public policies at the European Union level<sup>4</sup>.

Justice is one of the pillars of the economy. Nowadays, the reform of the judicial system is among the main goals of several (if not most) countries. Society requires this reform to be incrementally complex and to account for the national social-economic context and the external pressures<sup>5</sup>. In recent years, some European justice administration systems promoted management and legislative reforms in order to overcome (or, at least, mitigate) this crisis<sup>6</sup>.

The emergence of the New Public Management, during the 80's, under the government of Margaret Thatcher in the United Kingdom<sup>7</sup> is one of the reasons that led to the appearance of the managerialist reforms on the Western Countries. The New Public Management came to induce the introduction of techniques and models of private management in public administration in order to combat the excess budget deficits in the public sector, leading to a new rationality in public services<sup>8</sup>.

According Christopher Hood (1991), one can identify seven doctrinal components for New Public Management, based on overlapping perceptions: public sector professionalization in management; clear standards and performance measures; focus on results control; dissolution of public sector units; public sector increase of competitiveness; introduction of management practices from the private sector; and increase of discipline in the usage of resources.

Therefore, one can observe that the New Public Management doctrine provides governments with multiple principles applicable in their administrative reforms. This ideal of administrative reform led to the implementation of a set of new policies through the decentralization, delegation and deregulation of the public sector<sup>9</sup>.

<sup>&</sup>lt;sup>9</sup> Madureira and Rodrigues (2006).







<sup>&</sup>lt;sup>4</sup> Saurugger and Terpan (2016).

<sup>&</sup>lt;sup>5</sup> Gomes (2007).

<sup>&</sup>lt;sup>6</sup> European Commission for the Efficiency of Justice (2016).

<sup>&</sup>lt;sup>7</sup> Gruening (2001).

<sup>&</sup>lt;sup>8</sup> Araújo and Branco (2009); Lapsey (2009).



The excessive criticism of bureaucracy and of public organizations arose in connection to the assumption that private management leads to efficiency<sup>10</sup>. The suggested solution by the New Public Management supporters emphasizes the introduction of simplifications in the public sector, aiming at the reduction of legal complexity and at the reduction of bureaucracy in the following core areas: legislative complexity; reengineering of the organizational structure; use of information and communication technologies; improvement of information regarding administrative requisites and services supply; and coordination of the various administrative stipulations resulting from public administration activity.

In Portugal's particular case, this type of reform was also included in the political agenda, aiming not only the increase of efficiency, effectiveness and economy, but also the increase of quality in justice administration<sup>11</sup> (Gomes, 2007). Academic literature on Portuguese or Portuguese related legislation is fairly common<sup>12</sup>. Academic literature on justice administration and the quality of justice in Portugal has increased in recent years<sup>13</sup>. However, academic literature on public policy evaluation for the Portuguese justice sector remains scarce<sup>14</sup>. This article intents to constitute a contribution to this latter category.

## 2. Framework and Objectives

It can be argued that the Portuguese judicial reforms of the past two decades were significantly inspired by the New Public Management principles for the public sector.

On May, 2011, the New Public Management orientation was reinforced by the Memorandum of Understanding (MoU)<sup>15</sup>, ratified by the Portuguese government, the European Commission, the European Central Bank and the International Monetary Fund. By doing so, the Portuguese government committed to undertake an important set of

<sup>&</sup>lt;sup>15</sup> Portugal (2011).







<sup>&</sup>lt;sup>10</sup> Madureira and Rodrigues (2006).

<sup>&</sup>lt;sup>11</sup> Gomes (2007).

<sup>&</sup>lt;sup>12</sup> See, for instance, Jesus and Correia (2015); Correia and Jesus (2013, 2014a, 2014b, 2014c, 2016a, 2016b).

<sup>&</sup>lt;sup>13</sup> See, for instance, Correia e Bilhim (2014); Correia (2011, 2012, 2013, 2015); Guimarães *et al.* (2015); Correia *et al.* (2013, 2016); Pereira e Wemans (2015, 2017).

<sup>&</sup>lt;sup>14</sup> See, for instance, Correia and Joaquim (2013); Branco et al. (2014); Correia and Videira (2015, 2016).



reforms guided by New Public Management principles: reduction of public expenditure, increased state transparency for citizen and reduction of procedural bureaucracy<sup>16</sup>.

The Portuguese justice sector increase of responsiveness and efficiency was also included in the MoU<sup>17</sup> reform plan for the public sector. The commitments established in the MoU for civil actions in Portuguese courts, included provisions for the implementation of specific measures in order to achieve the following objectives: reducing the court's backlog; restructuring the judicial system and management models; amplifying the application of the new experimental civil procedure to other courts; reviewing the civil code; accomplishing the pre-established judicial budget; operationalizing the alternative dispute resolution; and facilitate the usage of restructuring mechanisms for corporations.

This list of objectives or measures was primarily directed to the civil enforcement actions, the civil declaratory actions and other civil actions, such as, for instance, insolvency actions<sup>18</sup>.

The Portuguese government approved the *Revitalizar* program (Council of Ministers Resolution number 11/2012, 3rd of February<sup>19</sup>), aiming to revitalization and restructuration of the business tissue through reviewing out-of-court negotiation system existing then and the creation of special revitalization procedure.

With law 16/2012<sup>20</sup>, the Portuguese government promoted, on the one hand, the simplification of the formalities of the insolvency action and, on the other hand, created of the Special Revitalization Procedure (PER) with the intent of eliminating judicial delays. In accordance with article 17a, the special revitalization procedures are urgent judicial actions for debtors who are imminently insolvent or in difficult economic situations. The aim of PER actions is to establish agreements conducive to companies' revitalization, therefore avoiding insolvencies and bankruptcies.

In the sequence of the creation of the *Revitalizar* program, Decree-Law number 178/2012, 3th of August<sup>21</sup>, approves the introduction of the Out-of-court System for Recovery of

<sup>&</sup>lt;sup>20</sup> Portugal (2012b). <sup>21</sup> Portugal (2012a).







<sup>&</sup>lt;sup>16</sup> Madureira (2015).

<sup>&</sup>lt;sup>17</sup> Portugal (2011).

<sup>&</sup>lt;sup>18</sup> Portugal (2011).

<sup>&</sup>lt;sup>19</sup> Portugal (2012c).



Companies (SIREVE) an out-of-court negotiation system aiming to allow companies to expeditiously, effectively and efficiently renegotiate the fulfillment of their obligations toward creditors. For this purpose, the preexisting out-of-court conciliation procedure, made available by the Institute of Support to Small and Medium Enterprises and Innovation (IAPMEI), was reformed. Being an out-of-court revitalization procedure accompanied by IAPMEI and not by the courts, SIREVE contributes to the simplification of the negotiation process, to the reduction of negotiation process' times, to an increase in security my means of an e-platform and, finally, to the extinction (or not filling) of judicial actions related to the payment of corporations debts. Consequently, SIREVE's creation has allowed the Portuguese government to promote out-of-court resolutions mechanisms, as pre-established on Memorandum of Understanding<sup>22</sup>.

After the *Troika's* intervention in Portugal and the conclusion of the economic and finance assistance, Decree-Law number 26/2015, 6th of February<sup>23</sup>, recognized the improvements accomplished in promoting the regeneration of the national business tissue in the post-*Troika's* intervention period, in Portugal<sup>24</sup>.

As it can be easily concluded from the above, courts can be faced as being subjected to models of public administration relying on managerial practices with institutional and administrative traits. Consequently, when procedures are ineffective or inefficient, the regulatory framework may need amendments in order to optimize those procedures and expedite the judicial actions, contributing to the improvement of quality for the justice sector as a whole<sup>25</sup>. Despite the growth of literature on the subject for the justice sector, the present article doesn't seek to provide a theoretical framework, providing instead a statistical study based on the quantitative evidences resulting from the implementation of public policies at the level of the Special Revitalization Procedure, during the Troika's Portuguese Ministry of Justice experiment.

<sup>&</sup>lt;sup>24</sup> Decree-Law 26/2015 also introduced changes to SIREVE, namely: restraining access conditions, creation of alert mechanisms in case of finance difficulties, transfer of control of the negotiation process throughout the funding period and, lastly, creation of new rules regarding the approval majorities of the recovery plans. <sup>25</sup> Ambach and Rackwitz (2013).







<sup>&</sup>lt;sup>22</sup> Portugal (2011).

<sup>&</sup>lt;sup>23</sup> Portugal (2015).



## 3. Methodology

The empirical analysis was formulated in order to determine the quantitative procedural movement behavior, at the level of the special revitalization procedures, in the Portuguese first instance courts. The methodology used in the present article, previously developed by Correia and Videira (2015, 2016) for the study of civil enforcement actions, is now applied to the special revitalization procedures. Therefore, the same three variables, number of incoming, resolved<sup>26</sup> and pending<sup>27</sup> cases, and the same three compounded indicators, procedural balance<sup>28</sup>, clearance rate<sup>29</sup> and disposition time<sup>30</sup>, used previously by Correia and Videira (2015, 2016), had their chronological evolution scrutinized<sup>31</sup>. Data for the three original raw variables is collected, treated and released to the public by the Directorate General for Justice Policy, and is available at <a href="http://www.siej.dgpj.mj.pt">http://www.siej.dgpj.mj.pt</a>. Calculation formulas for the three compound indicators can be found, for instance, in Correia and Videira (2015, 2016):

 $Procedural\ balance_t = Number\ of\ new\ cases_t - Number\ of\ resolved\ cases_t$ 

$$Clearance \ rate_t = \frac{Number \ of \ resolved \ cases_t}{Number \ of \ new \ cases_t}$$

$$Disposition \ time_t = \frac{Number \ of \ pending \ cases_t}{Number \ of \ resolved \ cases_t} \times Number \ of \ days_t$$

The temporal evolution analysis conducted for this case type was built around a 53-month sample spanning from May 2012 (coinciding with the creation of the Special

<sup>&</sup>lt;sup>31</sup> In line with the option taken by Correia and Videira (2016): "Cases that were transferred, attached, incorporated or joined to other procedures and those sent to another entity were withdrawn from the initial data, as they do not correspond to new cases in the courts but simply to internal transfers within the Portuguese judicial system and, therefore, do not reflect meaningful supply or demand data".







<sup>&</sup>lt;sup>26</sup> For a precise English translation of the notion of resolved case, provided in Portuguese by the Directorate General for Justice Policy (2016), see Correia and Videira (2015).

<sup>&</sup>lt;sup>27</sup> For a precise English translation of the notion of pending case, provided in Portuguese by the Directorate General for Justice Policy (2016), see Correia and Videira (2015).

<sup>&</sup>lt;sup>28</sup> According to Correia and Videira (2015, 2016), "the negative values correspond to a favorable procedural balance (more completed cases than new ones and therefore a decrease in the pendency) and the positive values correspond to an unfavorable procedural balance (more new cases than completed ones and therefore an increase in the pendency)".

According to Correia and Videira (2015, 2016), "the values higher than 100% correspond to a favorable clearance rate (more completed cases than new ones and therefore a decrease in the pendency) and the values lower than 100% correspond to an unfavorable clearance rate (more new cases than completed ones and therefore an increase in the pendency)".

<sup>&</sup>lt;sup>30</sup> According to Correia and Videira (2015, 2016), "the lower the value the most favorable it is".



Revitalization Procedure) to September 2016. 23 of these 53 months, from May 2012 to March 2014, postdate *Troika's* arrival and predate *Troika's* departure (*Troika's* period); the remaining 30 months, from April 2014 to September 2016, postdate *Troika's* departure from the country (post-*Troika's* period).

As not all the monthly data, for each category (*Troika's* and post-*Troika's*), follow normal distributions, the authors opted for the application of the non-parametric test of Mann-Whitney instead of the comparison of two means parametric test<sup>32</sup>. The investigation hypothesis can be stated as follows:

H<sub>0</sub>: The *Troika's* period and post-*Troika's* period datasets for special revitalization procedures have equal medians.

H<sub>1</sub>: The *Troika's* period and post-*Troika's* period datasets for special revitalization procedures do not have equal medians.

#### 4. Results

The present analysis was developed in two phases, both of them based on the methodology previously adopted by Correia and Videira (2015, 2016). Sub-phase (1) presents a robust statistical description that constitutes a first-instance body of evidence for the results not only in the *Troika's* periods but also in the post-*Troika's* period. Sub-phase (2), on the other hand, makes use of statistical tests to unambiguously confirm the results put forward by the statistical description sub-phase.

# 1) Descriptive Statistics

The chronological evolution of the number of incoming and resolved special revitalization procedures in Portugal's first-instance courts, between May 2012 and September 2016, can be observed in figure 1. Seasonality is an inherent feature of the data presented on figure 1 due to the customary judicial vacation period (predominantly noticeable in August). This effect is particularly intense in 2014.

<sup>&</sup>lt;sup>32</sup> Significance level of 0.05 (5.00%) for the Mann-Whitney test. Other examples of application of the Mann-Whitney test can be found in Correia *et al.* (2013), Correia and Catarino (2016) or Catarino and Correia (2016).

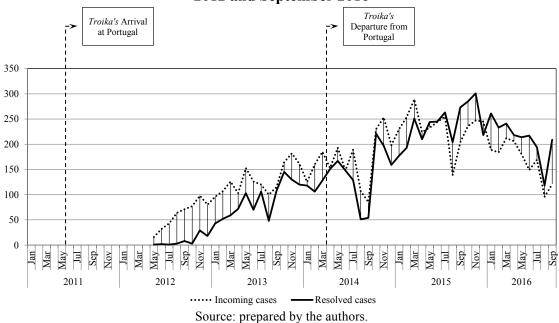


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Figure 1- Incoming and completed special revitalization procedures, between May 2012 and September 2016



To mitigate the seasonality effects and obtain a less influenced interpretation, the data was adjusted to compensate for the seasonality effects<sup>33</sup>. Figure 2 presents the monthly numbers of incoming and resolved special revitalization procedures, between May 2012 and September 2016, adjusted to compensate for seasonality.

<sup>&</sup>lt;sup>33</sup> The adopted seasonality adjustment procedure was the same as can be seen in Correia and Videira (2015, 2016). Note that the calculations of the procedural balance, clearance rate and disposition time, presented in figures 3, 4 and 5, respectively, are based on the values of incoming and resolved cases displayed in figure 2. Note, as well, that pending bankruptcy, insolvency and corporate recovery actions are not prone to seasonality effects and, therefore, that particular data series was not adjusted according to seasonality.

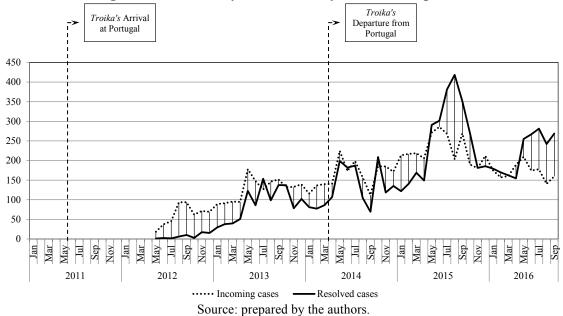








Figure 2 – Incoming and completed special revitalization procedures, adjusted according to the seasonality, between May 2012 and September 2016



The procedural balance adjusted according to seasonality is, for the period in question, charted in figure 3. An apparent change in trend, initiated between roughly 1.5 years after the end of the adjustment program, is observable during the post-*Troika's* period. Of the 53 months considered in the analysis, 19 presented favorable procedural balances. Of those 19 months, 2 (or 10.5%) were recorded in the *Troika's* period and 17 (or 89.5%) were recorded in the post-*Troika's* period. More remarkable, though, is the fact that in the 23 months covering the *Troika's* period 8.7% (2 months) presented favorable procedural balances and in the 30 months covering the post-*Troika's* period, a majority 56.7% (17 months) presented favorable procedural balances.

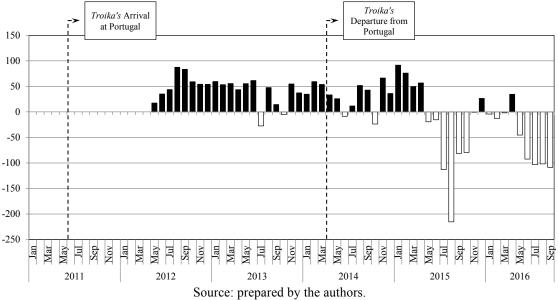








Figure 3 – Procedural balance for the special revitalization procedures, adjusted according to the seasonality, between May 2012 and September 2016



The clearance rate adjusted according to seasonality, for the case type in study, between May 2012 and September 2016, is plotted in figure 4. The positive change in trends is more noticeable from May 2015 onward, after the *Troika's* departure. Of the 53 months considered in the analysis, 19 presented favorable clearance rates (above 100%). Of those 19 months, 2 (or 10.5%) were recorded in the *Troika's* period and 17 (or 89.5%) were recorded in the post-*Troika's* period. More remarkable, as was the case with the procedural balance, is the fact that in the 23 months covering the *Troika's* period 8.7% (2 months) presented favorable clearance rates and in the 30 months covering the post-*Troika's* period, a majority 56.7% (17 months) presented favorable clearance rates.

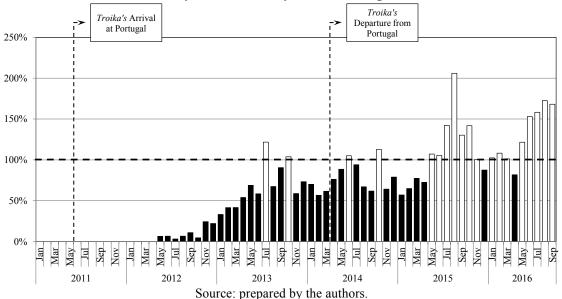








Figure 4 – Special revitalization procedures clearance rate, adjusted according to the seasonality, between May 2012 and September 2016



In turn, the disposition time adjusted according to the seasonality, for the case type in question, between May 2012 and September 2016, is plotted in figure 5. As for the previously applied compound indicators, a change in trend is observable particularly from May 2015 forward. Of the 53 months considered in the analysis, 19 presented disposition times under 180 days. Of those 19 months, 4 (or 21.1%) were recorded in the *Troika's* period and 15 (or 78.9%) were recorded in the post-*Troika's* period. More noteworthy is the fact that in the 23 months comprising the *Troika's* period only 4 months (17.4%) presented disposition times under 180 days and in the 30 months spanning the post-*Troika's* period 15 months (50.0%) presented disposition times under 180 days.

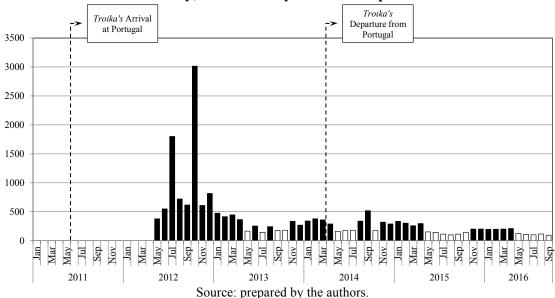








Figure 5 – Special revitalization procedures disposition time, adjusted according to the seasonality, between May 2012 and September 2016



The information presented in the previous 5 figures constitute a body of convergent evidence. A careful examination of the figure 6, allows for the corroboration of the previously presented results. The *Troika's* arrival at Portugal and the respective adjustment program induced the creation of the Special Revitalization Procedure. A steady (and expectable) increase of pendency for special revitalization procedures followed: not to be matter of simple coincidence. After the *Troika's* departure from Portugal, and for a period spanning a little more than a year, pendency continued to rise, in part as a result of the Judicial Map Reform, enforced by Decree-Law 49/2014<sup>34</sup>. Subsequently the number of pending special revitalization procedures started a steady decline trend, lasting (at least) until September 2016 (the most recent month covered by the article's data).

<sup>&</sup>lt;sup>34</sup> Portugal (2014). At an early stage the Organizational Law of the Judiciary System, Law number 62/2013 of 26th August (Portugal, 2013) had three main focus of action: adopting a new model of district management, adapting the territorial basis of judicial districts to the society's needs, and promoting and increase in specialized jurisdictions. At a later stage, Decree-Law number 49/2014, of 27<sup>th</sup> March (Portugal, 2014), which regulated the Organizational Law of the Judiciary System, Law number 62/2013, of 26th August, established the applicable regime for the organization and functioning of the judicial courts, focusing on: the simplification of judicial procedures, the reduction of pending actions and the judicial system quality improvement.

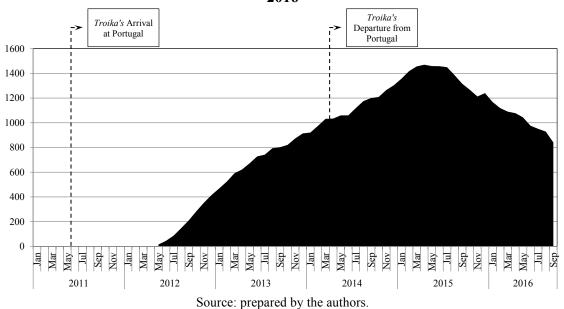








Figure 6 – Pending special revitalization procedures, May 2012 and September 2016



The data gives rise to a stimulating and pertinent interrogation: do the analyzed indicators present dissimilar characteristics for the *Troika's* and post-*Troika's* periods, at a statistical level? If that is the case, the dissimilarities should not be solely attributed to random variations of the phenomena at study and should, rather, be viewed as consequence of the judiciary and the justice administration continued adaptation to the 2011 MoU challenges.

## 2) Hypothesis Testing

Considering that normal data distributions were not guaranteed for all of the six variables (presented in figures 1 to 6), the use of parametric tests to compare the sets of data form the two analyzed periods would have been inadequate. Instead, it was necessary to apply the non-parametric test of Mann-Whitney in order to determine whether these sets of data originated from the same population (null hypothesis) or, originated from distinct populations (alternative hypothesis), considering a level of significance of 0.05. The results of the Mann-Whitney test for the six variables can be found in table 1.









Table 1 – Results for the Mann-Whitney test for the "*Troika's* period" and "post-*Troika's* period"

	Incoming*	Completed*	Pending	Procedural balance*	Clearance rate*	Disposition time*
MANN-WHITNEY test value	28,000	32,000	10,000	144,000	74,000	107,000
Z value	-5,689	-5,617	-6,012	-3,607	-4,863	-4,271
p-value (2-tailed)	0,000	0,000	0,000	0,000	0,007	0,000

Source: prepared by the authors.

The null hypothesis of the Mann-Whitney test was rejected (p-values<0.05) for all variables. That is equivalent to saying that, for all the considered variables,  $H_1$  was validated. Consequently, one can conclude that the two sets of data do not come from the same population.

The above results constitute an important contribute to the understanding of the behavior of this particular type of actions.

Regarding the median<sup>35</sup> of incoming actions adjusted for seasonality, the value recorded during the *Troika's* stay in Portugal was of 95 incoming cases per month and of 187 incoming cases per month after the departure of *Troika* from Portugal. The median increase of more roughly 92 incoming cases per month after the departure of *Troika* from Portugal, when compared with the *Troika's* period, signals a statistically significant increase in society's demand for the resolution of this type of actions.

A similar behavior can be observed for the completed special revitalization procedures. The two periods are statistically different: median of 51 completed cases per month during *Troika's* stay in Portugal and of 184 completed cases per month after the departure of Troika from Portugal. The median increase of roughly 133 completed cases per month after the departure of *Troika* from Portugal, when compared with the *Troika's* period, signals a statistically significant improvement in the number of completed cases (the supply of the judicial system), a determinant factor impacting the outcomes of this analysis remaining variables.

The results presented above concur overall with the results obtained in terms of pendency, which begin to be clearly visible about 1.5 years after the *Troika's* departure from

<sup>&</sup>lt;sup>35</sup> Medians must be used instead of means, for all indicators, given that data distributions are not Normal (Gaussian).







<sup>\*</sup> Values adjusted for seasonality.



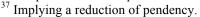
Portugal. Nevertheless, the low starting point and the persistent rise in the number of pending cases in the May 2012 - May 2015 period result in a statistically significant difference of roughly 583 units in the medians of the pending cases for each of the two periods (median of 1205 pending cases in the *Troika's* period and of 622 pending cases in the post-*Troika's* period).

For the procedural balance, adjusted for seasonality, it is also possible to conclude that there is a statistically significant difference over the *Troika's* and post-*Troika's* periods, with the difference of -57 units between these two periods statistically suggesting an improvement in the median procedural balance for special revitalization procedures (median of +54 cases per month (unfavorable) during *Troika's* stay in Portugal and of -3 cases per month (favorable) after the departure of *Troika* from Portugal). It is also important do highlight that the sign differences constitute a relevant qualitative progress for the results<sup>36</sup>.

The clearance rate adjusted for seasonality does show signs, also, of a statistically significant difference over the *Troika's* and post-*Troika's* periods, with the difference of 47.8 percentage points between these two periods statistically exposing an important improvement in the clearance rate for special revitalization procedures (median of 54.0% (unfavorable) during *Troika's* stay in Portugal and of 101.8% (favorable) after the departure of *Troika* from Portugal). Again, it is important to highlight that the above 100% results for the clearance rate constitute a relevant qualitative progress for the results<sup>37</sup>.

Lastly, the disposition time, adjusted for seasonality, shows signs of a statistically significant difference over the *Troika's* and post-*Troika's* periods, with the difference of 191 days between these two periods statistically exposing a relevant improvement in the disposition time for special revitalization procedures (median of 378 days during *Troika's* stay in Portugal and of 187 days after the departure of *Troika* from Portugal). It is important to highlight that the decrease in the disposition time backs up the case in favor of the existence of some celerity gains in the judicial system's handling of special revitalization procedures (the decrease of 191 days in the disposition time between the

<sup>&</sup>lt;sup>36</sup> The + sign accompanies unfavorable procedural balances results and a pendency increase. The - sign accompanies favorable procedural balances results and a pendency decrease.











*Troika's* period and the post-*Troika's* period corresponds to a decrease of roughly six months and eleven days for this variable).

Therefore, all indicators considered, the results presented in phases 1) and 2) of this analysis (descriptive statistics and hypothesis testing) are convergent.

## 6. Discussion and Conclusions

At the moment of the establishment of The Memorandum of Understanding on Specific Economic Policy Conditionality (MoU)<sup>38</sup>, the institutions framed in the Portuguese justice sector started the process of implementation of the prescribed measures. At that time, and with the creation of the special revitalization procedures, the judicial system was faced with a new type of civil action, one closely related to the economic and financial crisis that had swept across Europe.

After the relatively recent completion of the economic and financial assistance program, it is already possible to conclude through evidences of statistical data analysis that the *Troika's* inspired Portuguese government interventions made an impact in the judicial system. Evidence suggests the implemented public policies produced not only short term positive results but enduring ones as well.

In the period comprised from March 2014 to September 2016 (post-*Troika's* period), the statistical evidence is straightforward: society's demand for special revitalization procedures stabilized and the previous period increase was halted (in all probability as a result of improved economic and financial conditions); the judicial system's supply for such actions has improved in the post-*Troikas's* period; and the number of pending special revitalization procedures starts to show signs of a consistent decline. As a consequence, performance indicators such as disposition time, clearance rate or procedural balance improved quantitatively and qualitatively after the *Troika's* departure. It seems perfectly reasonable to conclude, given the previously presented empirical arguments, that the Portuguese special revitalization procedures public policy implementation constitutes a moderately successful story, in line with results reported by Correia and Videira (2015,

<sup>&</sup>lt;sup>38</sup> Portugal (2011).









2016) for the civil enforcement actions, although with considerably less voluminous outcomes. The statistically significant positive results are easily measurable 30 months after the Troika's departure from the country.

Following Correia and Videira (2016) approach, "we leave to others the task of analyzing to what measure and extent these results constitute evidence of a successful IMF, EC and ECB strategy toward countries that beneficiated from financial assistance".

Future studies should carry out similar empirical studies for other types of actions specifically targeted in the MoU, particularly, for the bankruptcy, insolvency and corporate recovery actions, given their close link to the special revitalization procedures. It is also suggested for future studies to continue the quantitative monitoring of the performance of special revitalization procedures, in order to accumulate a comprehensive historic that will allow to determine whether the Portuguese justice sector behavior, observed following the MoU implementation, is confined to a short time interval or will spread into the near and distant future.

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