



The European Union
for Georgia
EU4Business



Survey on ADR in Georgia

POPULATION SURVEY
12/2019





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INSTITUTE OF SOCIAL STUDIES AND ANALYSIS

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Introduction

Mediation and arbitration are alternative dispute resolution (ADR) mechanisms. Mediation is a process through which two or more parties, try to resolve their dispute amicably with the help of a mediator. The mediator is an independent and impartial professional, who helps the parties to reach a settlement without interfering with parties decisions regarding the terms of the settlement. Mediation is often used in family, inheritance, neighborhood, and property disputes. The mediation process is confidential, based on parties' voluntary participation and oriented at their self-determination and interests. Mediation is characterized by its speediness and flexibility.

Private property disputes based on the equality of persons are subject to resolution by arbitration. An arbitration agreement is a pre-condition of any arbitral proceedings. The parties' agreement defines essential features such as the composition and formation of an arbitral tribunal, the place of arbitration, applicable rules, and etc. The arbitration award is final and may not be appealed. The set aside of an arbitration award is permissible only upon the limited statutory grounds. Arbitration is more flexible and speedier than litigation. It is considered as the best alternative for commercial dispute resolution in the world.

A survey titled "Human Rights and Access to Justice in Georgia: Public Perceptions and Awareness" was conducted in 2016 and published in 2017 by the European Union and the United Nations Development Programme (UNDP) (hereinafter "2016 Survey"). One of the sub-chapters of the 2016 Survey concerned public awareness and perceptions on mediation and arbitration.

The present research evaluates various issues related to mediation and arbitration (awareness, trust, use in the practice, etc.) and presents the results of both the 2016 and recent surveys. The report provides an overview and comparison of this data.

Methodology

The goal of the research was to study awareness, trust and practical usage experience of ADR in Georgia, in particular mediation and arbitration. To achieve this goal, a quantitative research method was used, in particular mass surveys. The study covered the urban population of Georgia and was conducted in 9 cities: Tbilisi, Telavi, Akhaltsikhe, Marneuli, Gori, Kutaisi, Ozurgeti, Zugdidi and Batumi. The target group was composed of individuals of 18 years and older living in these cities.

¹ https://www.ge.undp.org/content/georgia/en/home/library/democratic_governance/human_rights_survey_2017.html?fbclid=IwAR2uibrmi1G-607cRM_kwuDSpEDORA6iZkgRg31cPxfSApYFDD3OoZ1ObUhs

Sampling:

The probabilistic sampling method was defined as the model of respondents' sampling, namely the cluster sampling approach with pre-stratification.

In terms of stratification, 9 strata were allocated, which represent the urban centers (cities) of the capital and the study regions.

The clustering process was carried out on three main levels:

- Primary sampling units (PSU): Polling stations
- Secondary sampling units (SSU): Household
- Final sampling units (FSU): Adult Individual (18 years and older)

A total of 1,560 respondents participated in the study. Based on this sampling model, the results are representative in terms of gender, age groups, education level, and other characteristics. The quantitative distribution of respondents in each city is presented in Table # 1:

Table #1

City	Number of respondents	Sampling error (With 95% reliability)
Tbilisi	500	
Telavi	120	
Akhaltsikhe	100	
Marneuli	100	
Gori	120	
Kutaisi	200	
Ozurgeti	100	
Zugdidi	120	
Batumi	200	
Total:	1,560	2.5%

The study was conducted through face-to-face interviews using a research tool provided by the United Nations Development Programme (UNDP) - a questionnaire used in the 2016 Survey. The questionnaire presented to respondents consisted of both closed and semi-structured questions and referred to the awareness of individuals about mediation and arbitration. Also, sources of information, their assessments, confidence in these mechanisms and their use was evaluated.

Main Findings

The general awareness of the urban population of Georgia (whether they have heard or not) about mediation and arbitration is low. However, it is noteworthy that respondents have more information about arbitration compared to mediation (86.6% did not hear about mediation and 69.7% did not hear about arbitration). In terms of age, respondents were the most informed in the 45-64 age group.

Analyzing awareness in the scope of education showed that positive responses to both mediation and arbitration, as it was expected, most often were among the respondents with higher education (including incomplete higher).

In the case of both mediation and arbitration, television is the most important source of information. This figure is especially high for the age group of 65 and over. Social networks and acquaintances were also more or less actively cited as sources of information.

It is noteworthy, that in the age categories (45-54 and 55-64) with highest ranking of having heard of mediation/ arbitration information received via television is on leading position. As for the younger age group of 18-44, social networks are one of the most important sources of information on mediation and arbitration.

Respondents expressed their views regarding the meaning of mediation and arbitration. There is a small number of respondents who correctly identified the main characteristics of mediation and arbitration. It is noteworthy that the number of respondents who have the correct information about arbitration, is higher than the number in case of mediation. Specifically, in total, only 34 respondents (19.3%) answered with at least one correct answer out of the 2 correct answers (and only one respondent chose all two correct answers). In the case of arbitration, 174 respondents (36.8%) had at least one correct answer.

The explanations in the questionnaire on mediation and arbitration played an important role in raising the awareness of respondents - mainly regarding mediation. After hearing the explanation, in the mediation component, the rate of awareness (having heard or not) increased

from 13.4% to 28.9%. In the case of arbitration, there is a slight increase in the share of informed respondents, indicating that respondents' awareness of arbitration is more stable than mediation.

Regarding the factor of trust towards mediation and arbitration, the respondents in most cases remain in the intermediate position and state that based on the explanations they "somewhat trust" both mediation and arbitration.

Analyzing the advantages and the disadvantages of mediation and arbitration compared to the court, it can be said that respondents considered the less formal nature of mediation and arbitration compared to the court as a determining factor in the evaluation process. It implies that respondents refer to the speed and flexibility of the mediation/arbitration process in a positive context.

At the same time, however, they are concerned that such processes may not be of a strictly regulated nature, which may affect the enforceability of decisions. Despite these dangers, most respondents report that they prefer to use mediation or arbitration mechanisms compared to the court.

Compared to the 2016 Survey, the 2019 Survey data does not show significant differences in awareness, attitudes, or experience of using mediation and arbitration. The awareness level of these mechanisms remains low, especially in the case of mediation. Television is still considered to be the actual source of information, however, compared to 2016, the role of television has been reduced at the expense of information received from social networks and acquaintances. In defining trust in mediation and arbitration, both studies have an intermediate position - "somewhat trust". Respondents also identified similar factors when discussing the advantages and the disadvantages of mediation/arbitration compared to the court. The 2019 Survey makes one tangible difference: a larger share of respondents prefer mediation and arbitration as a means of dispute settlement over litigation. However, on the other hand, the resort to mediation or arbitration is still extremely low.

Research results

The questionnaire consisted of two blocks with identical questions: the first was about mediation and the second was about arbitration. The questions in the questionnaire, on the one hand, are related to the awareness of the respondents, and on the other, partly to their experience.

1. Mediation and Arbitration Awareness

1.1 Level of Awareness on mediation and arbitration

We first surveyed respondents' **awareness of whether they have heard** of mediation and arbitration.

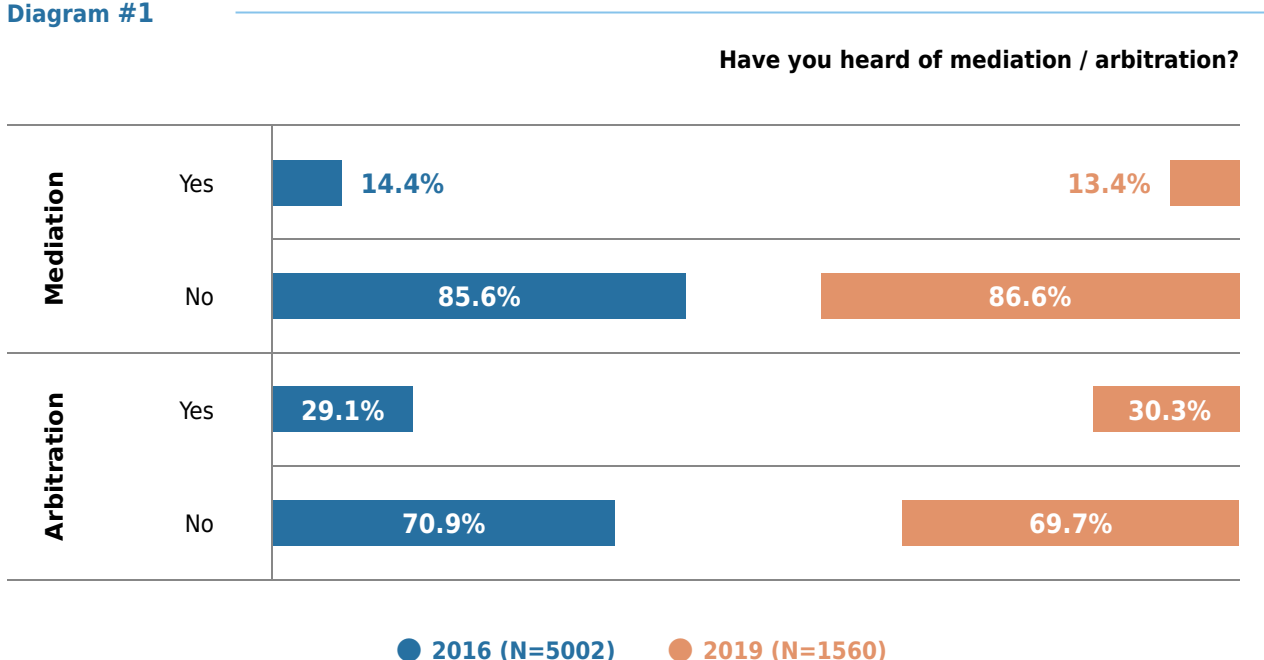
Analysis of the data revealed that the majority of respondents (86.6%) did not have any information related to **mediation**. Only 13.4% of the respondents answered yes to the question.

According to 2016 Survey, mediation awareness was also low at 14%. The named reason was that some respondents had misread the term (syntax error) – associating it with media activity, or understanding it broadly, though not in a legal context. In 2016 the number of those who have heard of mediation was slightly higher in Tbilisi - 19%, while according to the new survey, it is 15.2%.

Significant difference is not observed when analyzing both old and new data in the scope of gender.

As for **arbitration**, more respondents have heard of arbitration. 30.3% of the respondents answered yes to the question. However, among the data on arbitration awareness, negative responses are still predominant (69.7% of respondents did not hear about arbitration). (Diagram 1)

Diagram #1



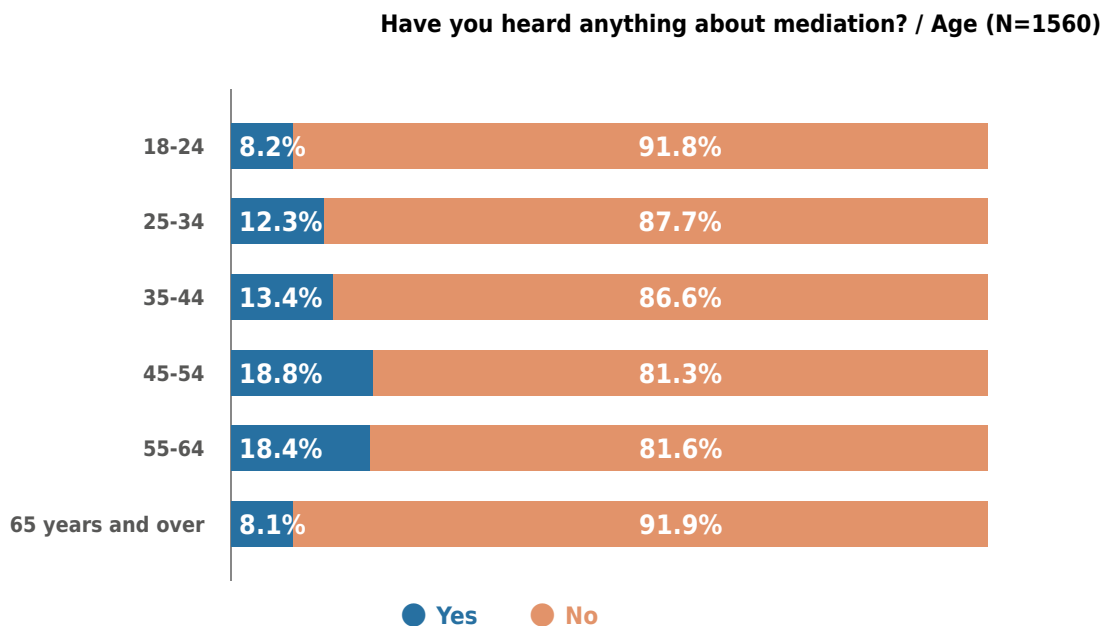
The current study virtually repeats the results of the study conducted in 2016: twice as many respondents have the information about arbitration compared to mediation likewise the previous study. While it was 29% among 2016 respondents, their share in current results is 30.3%.

Furthermore, the data is identical in the Tbilisi context: in 2016 - 44% of respondents were informed about arbitration, whereas currently - 43.4%.

We have analyzed this issue with respect to **age** and **education** variables, as individuals of different age groups and education levels may have different levels of awareness.

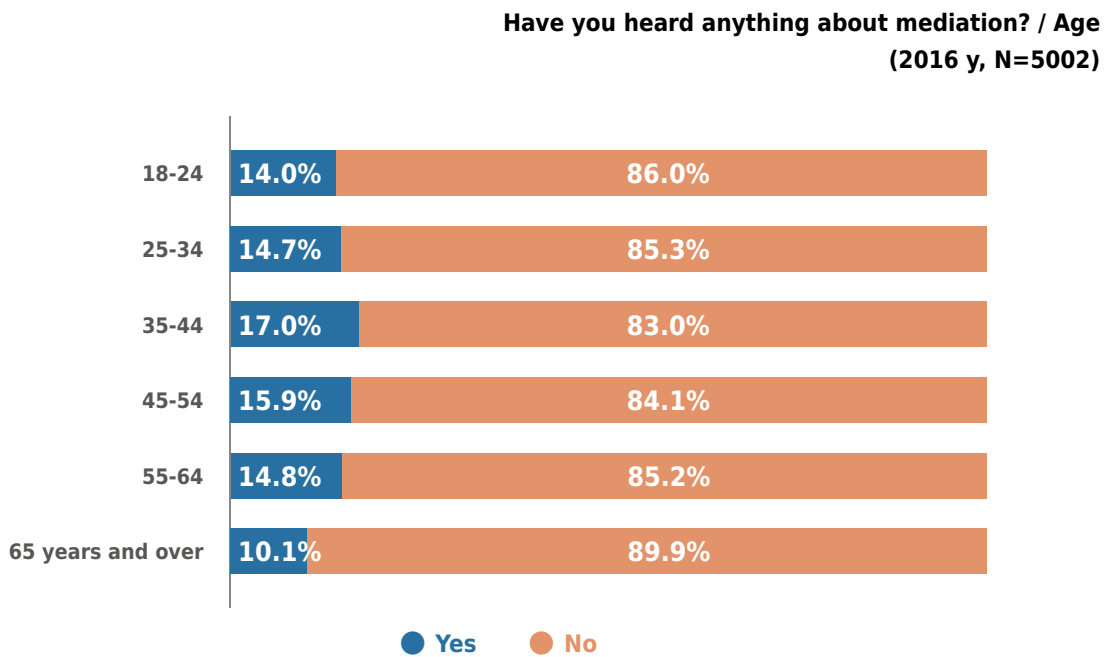
The study included 6 age categories: 18-24; 25-34; 35-44; 45-54; 55-64; 65 years and older. As it turned out, in light of the low awareness of mediation, respondents in the category of 45-54 have relatively high awareness, which equals to 18.8% of the total number of respondents (Diagram 2):

Diagram #2



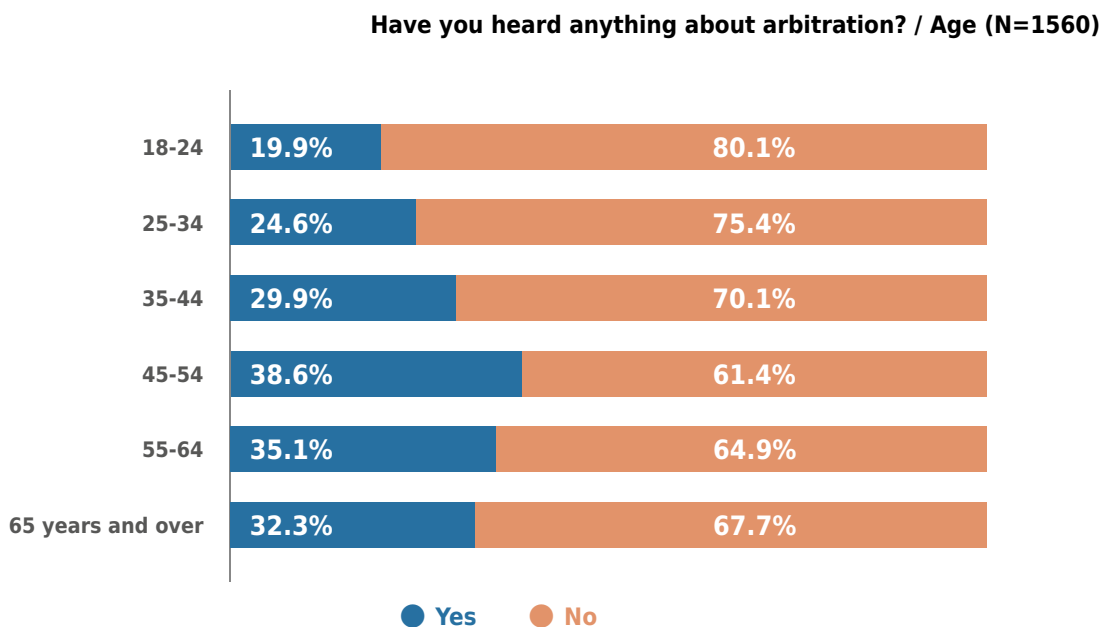
The 2016 Survey results are somewhat different: The highest level of awareness of mediation was detected in the age group of 35-44 (17%). However, similar to the old results, the survey shows that respondents above 65 have the least information about mediation (89.9%). Mediation awareness was also low among respondents aged 18-24 (86%). (Diagram 3)

Diagram #3



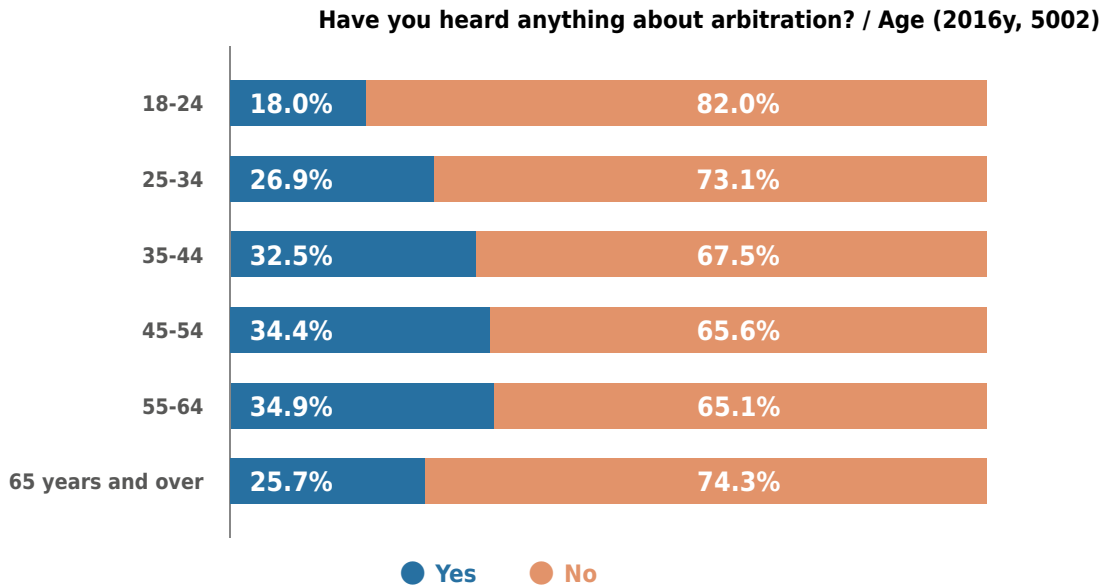
As in the mediation case, the highest level of awareness on arbitration (whether they heard or not) was again in the 45-54 age group - 38.6%. Information about arbitration is least prevalent among the 18-24 age group. In this group, 19.9% of the respondents have heard, and 80.1% have heard nothing about arbitration. In the case of arbitration, respondents over 45 are more informed than respondents below this age. (Diagram 4):

Diagram #4



It is noteworthy that the 2016 Survey repeats one important trend of correlation with the age and awareness about arbitration: in the old study, similarly to the current one the respondents were the most uninformed in the age group of 18-24. (Diagram 5)

Diagram #5



As already mentioned, the issue of awareness on mediation and arbitration has also been analyzed with respect to education variable. The levels of education presented in the questionnaire were grouped into three categories:

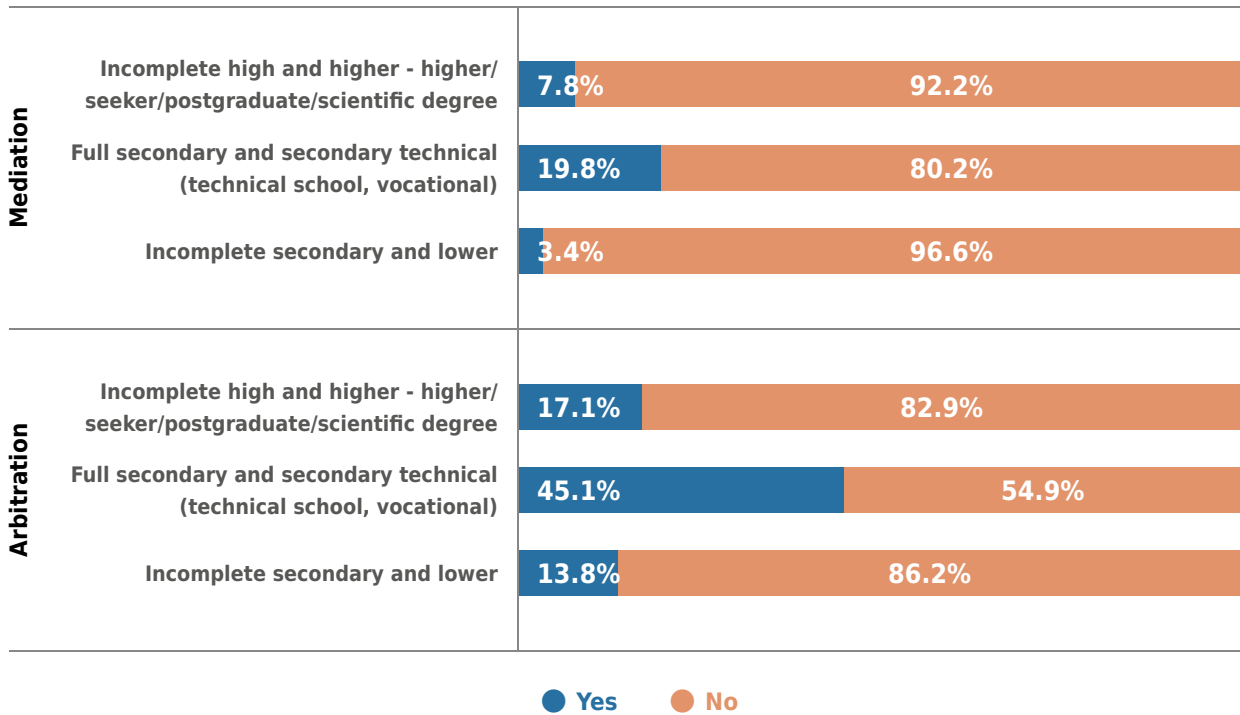
- 1. Incomplete secondary and lower** - which combines the following levels: “did not go to school”, “elementary (including 4 grades)”, “incomplete secondary (including 9 grades)”;
- 2. Full Secondary and Secondary Technical** - combines the following levels: “Full secondary (12 classes)”, “Secondary Technical (Vocational school, Technical school);
- 3. Incomplete high and higher** - combines: “incomplete high”, “higher (institute, university)”, “seeker / postgraduate / scientific degree (candidate / doctor)”.

Mediation and arbitration awareness were also measured with respect to these three main groups. Even in the case of education, in light of the general lack of awareness about mediation, it has been found that the higher the level of education obtained, the higher the awareness of the issue. Accordingly, 19.8% of respondents in the “incomplete high and higher” category have heard of mediation, which is the highest indicator in terms of education level. As it turns out, from those who have completed incomplete secondary or lower education levels, only 3.4% possess some information about mediation.

In case of arbitration, like mediation, the highest rate of positive responses is in the “incomplete high and higher” category. Specifically, 45.1% of the answers in this category are positive. Out of those who have completed an incomplete secondary or lower level of education, only 13.8% have information about arbitration. Consequently, given the percentage distribution in each category of education, the higher the level of education, the higher the likelihood of a positive response to arbitration awareness. (Diagram 6):

Diagram #6

Have you heard about mediation / arbitration? In terms of Education (N=1560)

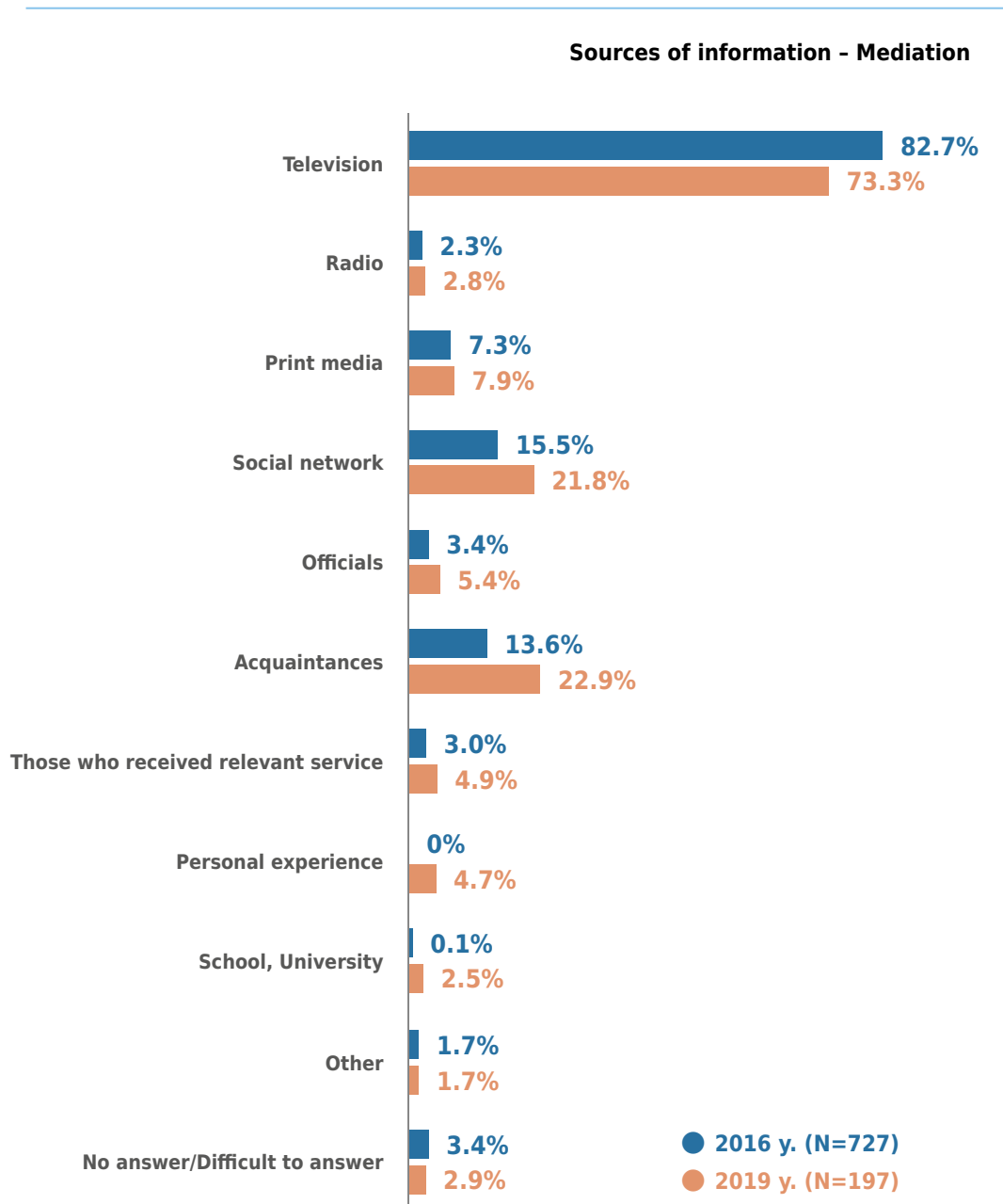


1.2 Sources of information

It is noteworthy that the question of mediation and arbitration awareness was a kind of filter to identify the **sources** by which individuals obtain certain information. To study the issue, we offered respondents a semi-closed question, where they could add their alternative in the category of answers (they were able to indicate in the “other” category the source they were using, though not listed in the answers).

Among the sources of information on mediation, the highest percentage was received by **television** (73.3%), followed by acquaintances (22.9%) and social networks (21.8%) (Diagram 7).

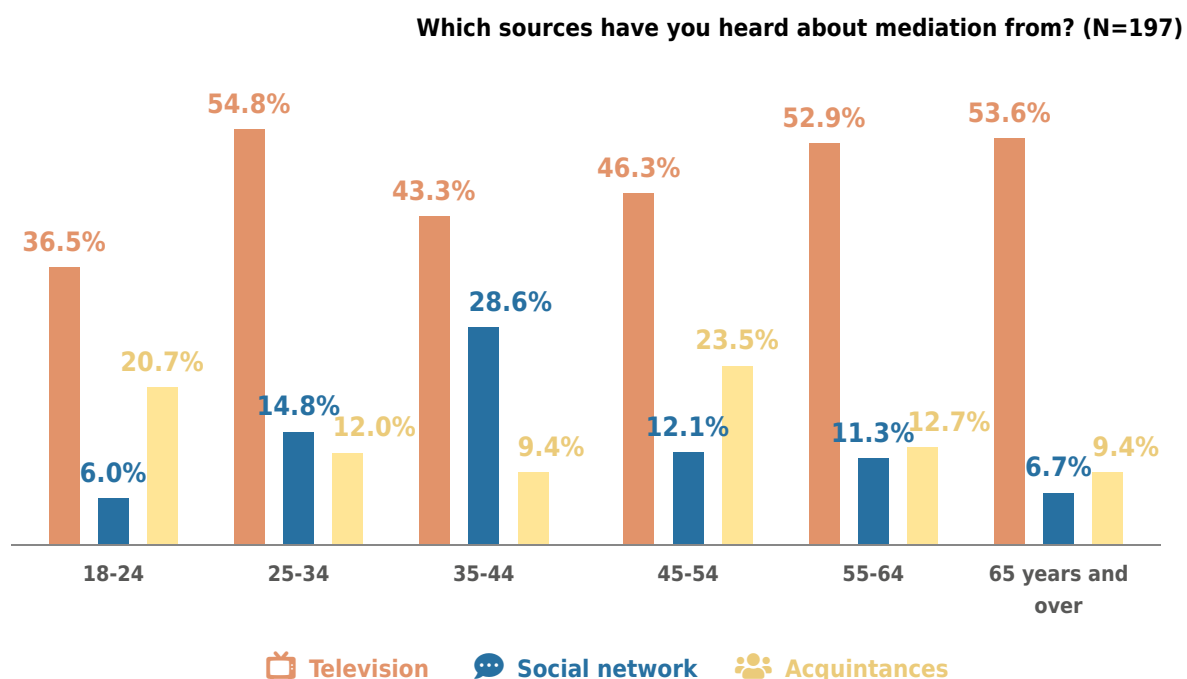
Diagram #7



This result is in line with the 2016 Survey, with some modifications: According to a previous survey, the share of television as a source of information was 83%, social network 16% and acquaintances 14%. Although television remains the leading source of information, it is noteworthy that its rate is declining, and the role of acquaintances and social networks in obtaining information has increased according to this data. (Diagram 7)

We analyzed results in terms of **age** and identified the sources that are named according to age groups (it is noteworthy that the figures identified in terms of age are statistically significant ($\chi^2=127.924$, $df=55$, $p=0$), which means it is possible to identify and evaluate comparisons between groups with their help). In each age category the highest percentage was received by television being distributed as follows: 18-24 years - 36.5%; 25-34 years - 54.8%; 35-44 years - 43.3%; 45-54 years - 46.3%; 55-64 years - 52.9%; 65 and over - 53.6%. (Diagram 8):

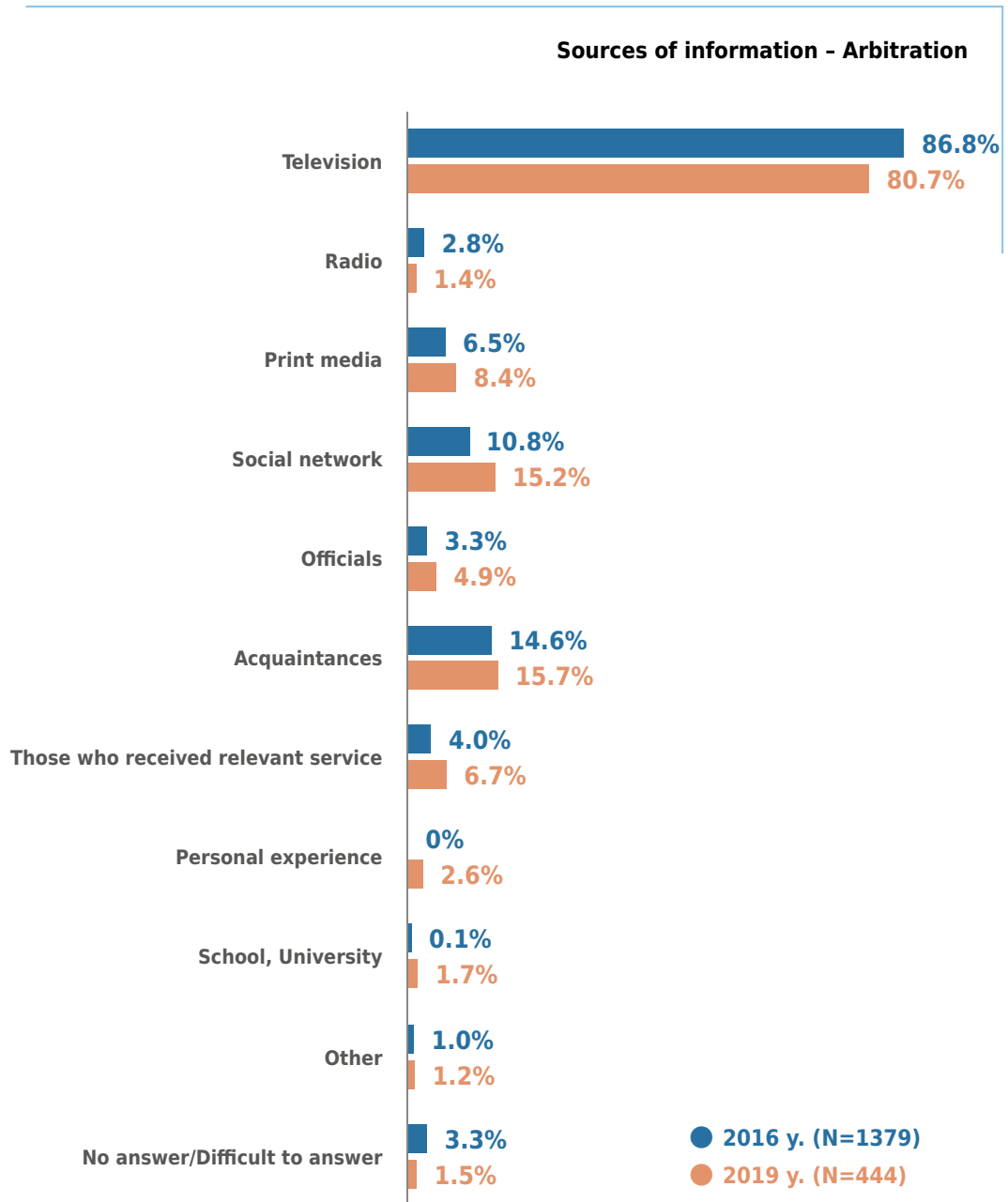
Diagram #8



Even though answers are more or less identical in each age category, it is noteworthy that the respondents aged 18-24 state other sources such as **“school or university”**. The mentioned answer, in this age group, takes the leading position with 21.3% and is only behind the television. One of the most significant sources in each age group is **social network**, with different percentages: 18-24 years - 6%; 25-34 years - 14.8%; 35-44 years - 28.6%; 45-54 years - 12.1%; 55-64 years - 11.3%; 65 and over - 6.7%. As it turned out, this source is more commonly used in the respondents aged 35-44. Alternative sources were found to be relatively active in the 18-24 and 65 and over age groups: 20.7% of 18-24-year-old respondents got information about mediation from acquaintances; while print media is one of the most important sources in the category of 65 and over - 11.9%, which is only behind the television for this age group.

In the case of arbitration, like the mediation, the most frequently cited source of information was television (80.7%). Informal sources such as acquaintances (15.7%) and social networks (15.2%) are also used for getting information (see Diagram 9).

Diagram #9



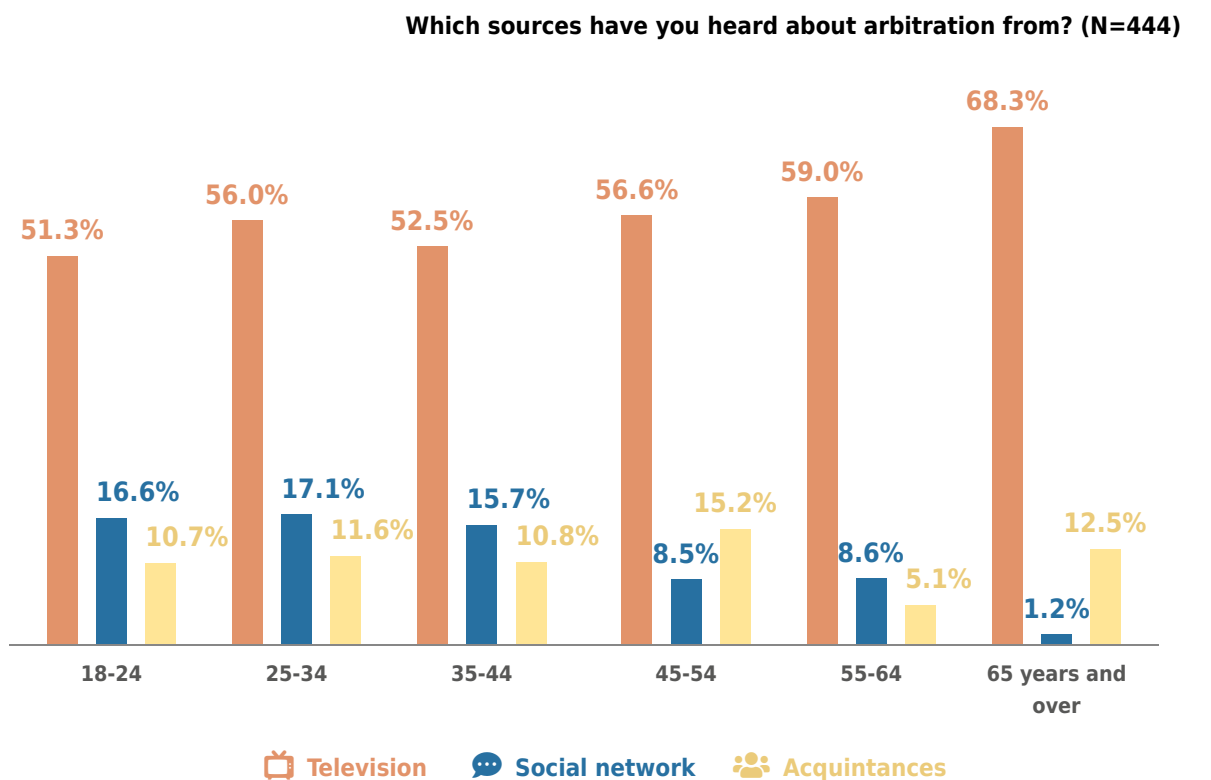
Similar trends were identified in the 2016 Survey. 87% cited television as the source of information, 15% - acquaintances, and 10% - social networks. Similar to the comparison of 2016 and 2019 results in case of mediation, the share of television in obtaining information about arbitration component continues to decline, while the role of acquaintances and social networks is increasing. (Diagram 9)

The influence of information sources was closely linked to age and gender. Although television received the highest percentage in each age group, television was the most important source for the age group of “65 and over”: 18-24 years - 51.3%; 25-34 years - 56%; 35-44 years - 52.5%; 45-54 years - 56.6%; 55-64 years - 59%; 65 and over - 68.3%.

In the age group of 45 years and below, social media is also an active source of information on arbitration. The distribution of this source among the age groups is as follows: 18-24 years - 16.6%; 25-34 years - 17.1%; 35-44 years - 15.7%; 45-54 years - 8.5%; 55-64 years - 8.6%; 65 and over - 1.2%.

“Acquaintances” (11.2%) were named as the second biggest source of information after the television. This answer is approximately equally named for all categories, except for the 55-64 age group, where acquaintances as the source of information are the least frequent (5.1%) (Diagram 10)

Diagram #10



1.3 What is Mediation / Arbitration?

Even though the respondents evaluated whether they have heard or not about mediation and named relevant sources of information, **it was significant to analyze what respondents actually knew about mediation and arbitration**. The analysis, of course, involved the group of those respondents that have heard about mediation/arbitration. We asked them to evaluate **what is mediation** according to their information. To do this, we proposed a semi-structured question with 6 answers besides the “other” category. Some of the answers were true and some were false. In other words, the respondents were actually tested.

The correct answers about mediation are as follows:

- ✓ “This is a dispute resolution method that does not necessarily end with an agreement”;
- ✓ “This is a dispute resolution method used in less complex disputes.”

We developed the following approach for data analysis: in terms of true-false, we identified respondents who chose at least one of the two correct answers. Given this approach, a total of 34 respondents were found to have provided at least one correct answer, which is 19.3% among respondents who stated that they have information about mediation. 33 respondents (18.8%) gave only 1 correct answer. Only 1 respondent (0.5%) answered all two correctly. Regarding the incorrect answers, most (26.7%) of the respondents indicated that mediation is a method of dispute resolution in which the compliance with the reached agreement is voluntary”; This is also the most frequently used answer among others in general. The second and third most frequently used answers are: “*Mediation is a dispute resolution method that necessarily ends with a settlement*” (25.3%) and “*Mediation is used in less complex disputes*” (11.2%).

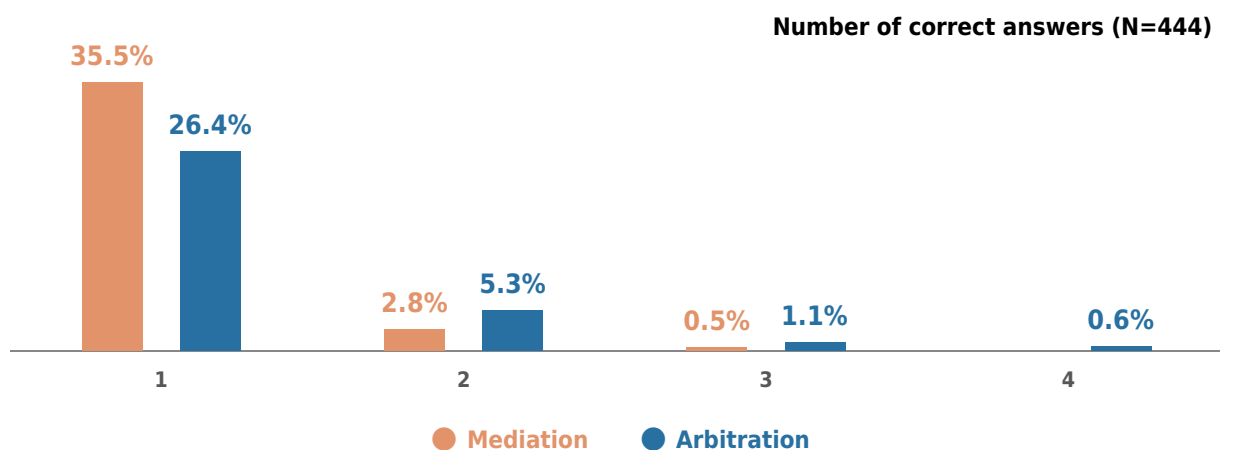
With a similar methodology, the respondents were asked a question about arbitration. **The correct answers** are as follows:

- ✓ This is a dispute resolution method on property matters where the enforcement of the award is ensured by the court
- ✓ This is a method of resolving property disputes between individuals
- ✓ This is a method of resolving property disputes between an individual and a business
- ✓ This is a method of resolving property disputes between businesses

In case of **arbitration** study revealed a total of 174 cases (36.8%) where respondents reported at least one correct answer. Most often, the term is correctly interpreted as a method of property dispute resolution between an individual and a business (18%).

In terms of arbitration, the specific shares of the correct answers were distributed as follows: 125 respondents (26.4%) stated 1 correct answer, 25 respondents (5.3%) managed to give 2 correct answers, 3 correct answers had 5 people (1.1%) and 3 respondents (0.6%) appeared to be able to select 4 correct clauses (Diagram 11).

Diagram #11



The most commonly used term to describe the arbitration process is the provision: *“This is a method of dispute resolution in which the compliance with the reached decision is voluntary”* (24.7%). 16.8% is the share of the answer - *“This is a method of resolving any type of dispute where the enforcement of the award is ensured by the court.”* At the same time, this is the second most named answer.

It is noteworthy that the 2016 Survey, in terms of sharing mediation and arbitration description clauses, shows virtually identical results.

2. Attitudes Towards Mediation and Arbitration

2.1 Recognition of terms after explanation

As mentioned in the previous chapter, the respondents evaluated and expressed their opinion as to what in their belief arbitration and mediation are. In order to remind, clarify or explain to some of them what mediation and arbitration were (implying the respondents who had not heard about mediation or arbitration before), we offered the respondents brief explanations of mediation and arbitration, which combined the main characteristics. Such indication had two main goals for this study: on one hand, to specify and deepen the knowledge of the respondents who had heard about arbitration or mediation and on the other hand, to provide primary knowledge for those individuals who had no information regarding the issue. Furthermore, such an approach ensured to maintain respondents with the questions - regardless of whether they had information on mediation or arbitration prior to the survey. All were put in more or less equal position after the explanation and had the opportunity to “remain” in the study.

The questionnaire provided the following definition of **‘mediation’**: *“Mediation is a method of dispute resolution aimed at resolving disputes through negotiation. The dispute is resolved through mediation if the parties reach an agreement that is acceptable to them. A mediator is a neutral third person who helps the parties to negotiate and achieve a mutually acceptable outcome. During mediation, the parties themselves make the decision. The process is confidential. Mediation is mainly used in family and neighborhood disputes. Mediation also has court fee advantages - instead of paying 3% of the cost of litigation, the party pays 1%, out of which 70% will be refunded if the dispute is settled. There is no loss during mediation.”*

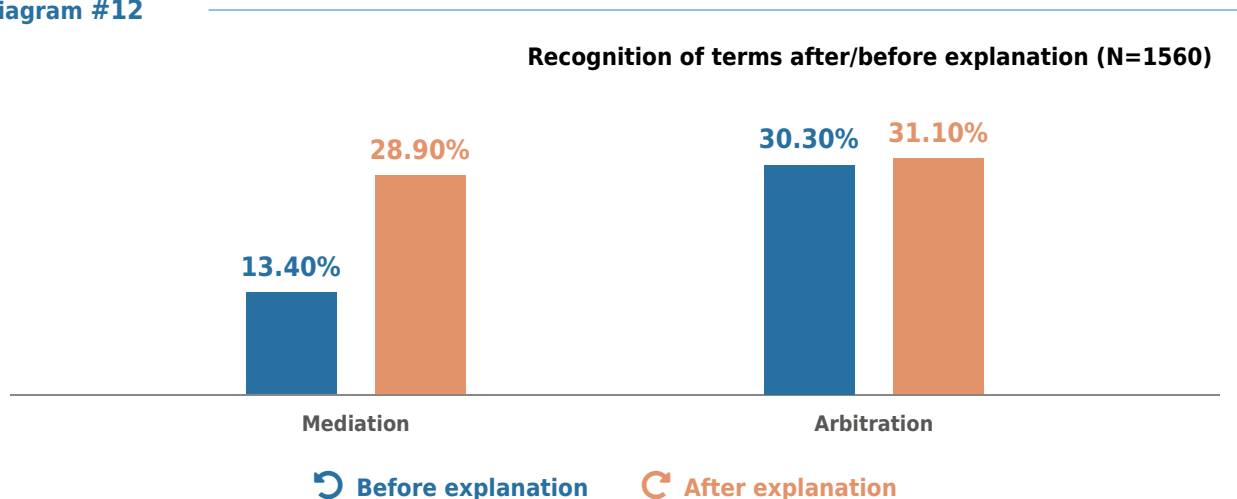
In order to understand whether the above explanation served its purpose, we asked the respondents **whether they had heard of mediation after hearing the explanation**.

As it turned out, after providing the explanation the overwhelming majority (71.1%) of the respondents still reported a negative answer - that they have not heard about mediation. However, in this case, an indicator of “yes” response is significant: if at the beginning of the survey only 13.4% of respondents stated that they had some information about mediation the figure is relatively high after brief explanation. **28.9%** of the respondents indicates that they had heard of mediation. It seems that the definition of mediation played an important role in informing the respondents - some were given more information, some were reminded that they have had mediation information until now.

The definition provided for **‘arbitration’** was as follows: *“Arbitration is an alternative dispute resolution method when the parties agree to have their dispute resolved by the arbitral tribunal. The arbitral tribunal has the power to hear a private property dispute based on the equality of the parties. Any dispute that is resolved by arbitration shall be decided strictly in accordance with the parties’ agreement. The parties’ agreement defines key factors such as the procedure for the formation of the arbitral tribunal, the place of arbitration, the applicable rules, and etc. The award is final and binding on the parties. The arbitration award shall be rendered within 180 days after the commencement of the arbitration unless otherwise agreed by the parties. For example, banks, micro-finance organizations, etc. in their loan agreements use arbitration as one of the contractual clauses. In the case of arbitration, unlike the court, appeal is not possible, so the dispute is resolved within one instance.”*

After the explanation, most of the respondents (68.8%) still report a negative answer to awareness of arbitration prior to the received explanation. In contrast to the fact that the explanation increased awareness in the mediation part, in the case of arbitration this difference is actually insignificant: in the original figure 30.3% of the respondents had some information about the arbitration, and after the explanation, it increased to only 31.2%. **This indicates that respondents' awareness of arbitration is stronger and more stable** (Diagram 12):

Diagram #12



Analyzing the data obtained from the second question on mediation and arbitration, we found it interesting with respect to the first question, which generally relates to whether you have heard of mediation/arbitration.

Using the cross-tabulation method we calculated the correlation between the responses to the first and second questions. As revealed, among those who initially gave a negative response, **21.4%** after hearing the explanation stated that they had actually heard of mediation. In a similar cross-tabulation of arbitration, a comparison of responses revealed that, among those who initially reported a negative response to the awareness of arbitration, **14.9%** of respondents after receiving an explanation said that they had heard about this institution.

2.2 Trust in Mediation / Arbitration

Based on the information provided to the respondents, we found it interesting to assess **Trust** in mediation. This question was measured on a 3-point scale, with 1 indicating “fully distrust”, 2 - “somewhat trust”, 3 - “fully trust”. It can be said that the second category is an intermediate one.

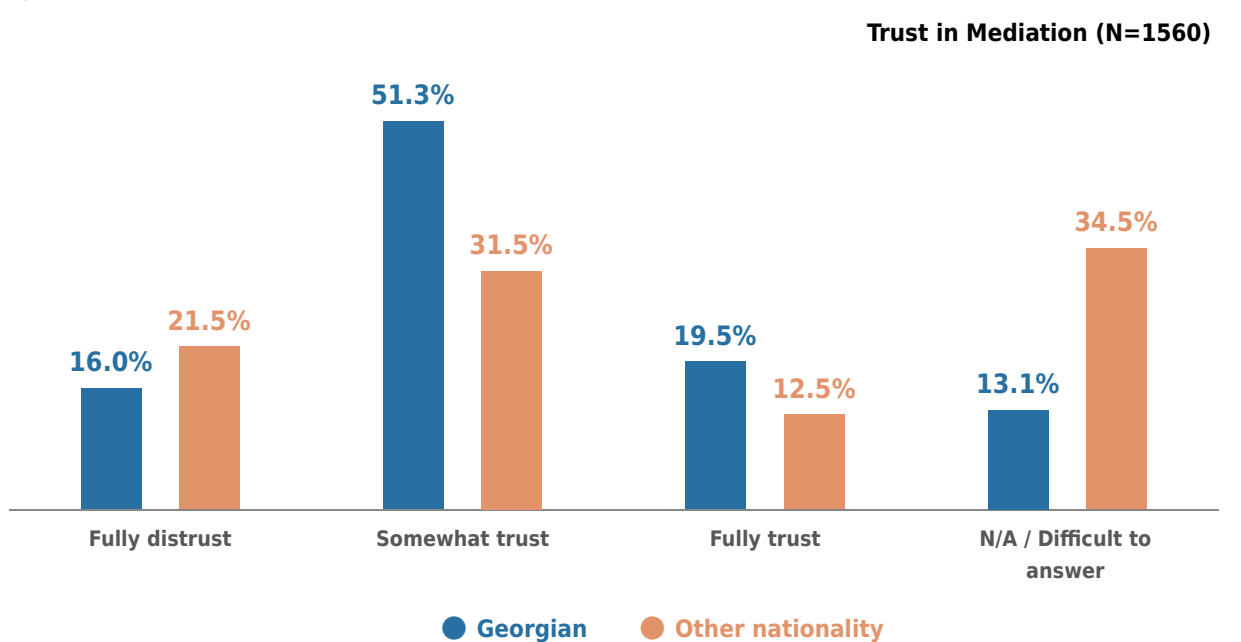
As the results of the survey show, almost half of the respondents - 48.8% - have “somewhat trust” after hearing the explanation on mediation.²

² Intermediate position is also highest in content (MEAN) - 2.02. Given the standard deviation (St.Dev = 0.648), the mean is between negative and positive fields and is not directed to extreme points.

The new survey re-confirms the results of 2016 survey: after a brief description of mediation, a third of respondents abstained (34%) from the evaluation, though the majority - 57% - expressed confidence in mediation.

Considering the contextual specificity of the mediation, it was important to consider the issue **in terms of nationality**. At the data processing stage, nationality categories were grouped into two groups: Georgian and other nationalities. Trust in mediation was also measured by these groups. Majority of Georgian respondents report intermediate position on 3-point scale - 51.3%. As for the representatives of other nationalities, 31.5% - favor intermediate position ("somewhat trust"), while still bigger portion - 21.5% of this group chose a negative answer - "Fully distrust" (this answer is significantly lower in the case of Georgians - 16%). **This might suggest that trust in mediation is a serious challenge for a group of other nationalities** (Diagram 13):

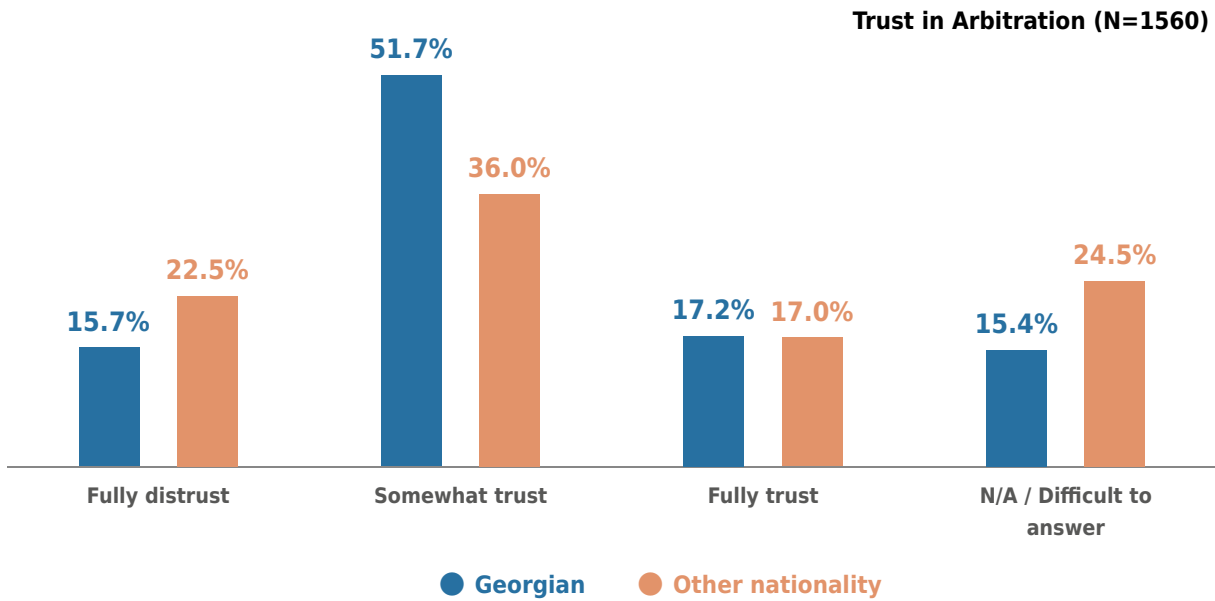
Diagram #13



As for **arbitration**, every second respondent (49.7%) "somewhat trusts" arbitration after providing the explanation. Arbitration is fully trusted by **17.2%** of respondents.

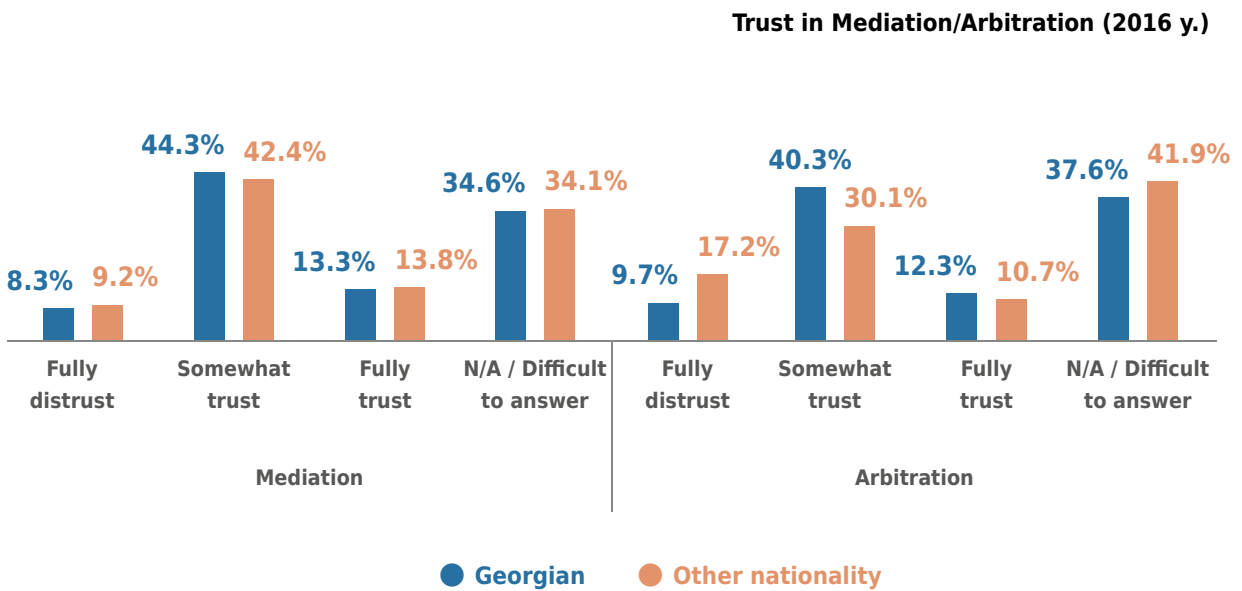
The figures **in terms of nationality** are noteworthy in this case as well: 15.7% of the Georgian and 22.5% of respondents with other nationalities distrust arbitration after the explanation. Besides, "somewhat trust" is expressed by 51.7% of Georgian respondents and 36% of respondents with other nationalities. **Thus, the distrust of the representatives of other nationalities towards the arbitration is graver compared to mediation** (Diagram 14)

Diagram #14



In the 2016 Survey, there was a similar trend: the majority of the respondents (51%) had trust in the given explanation (including 39% "somewhat trust", 12% "fully trust").

Diagram #15

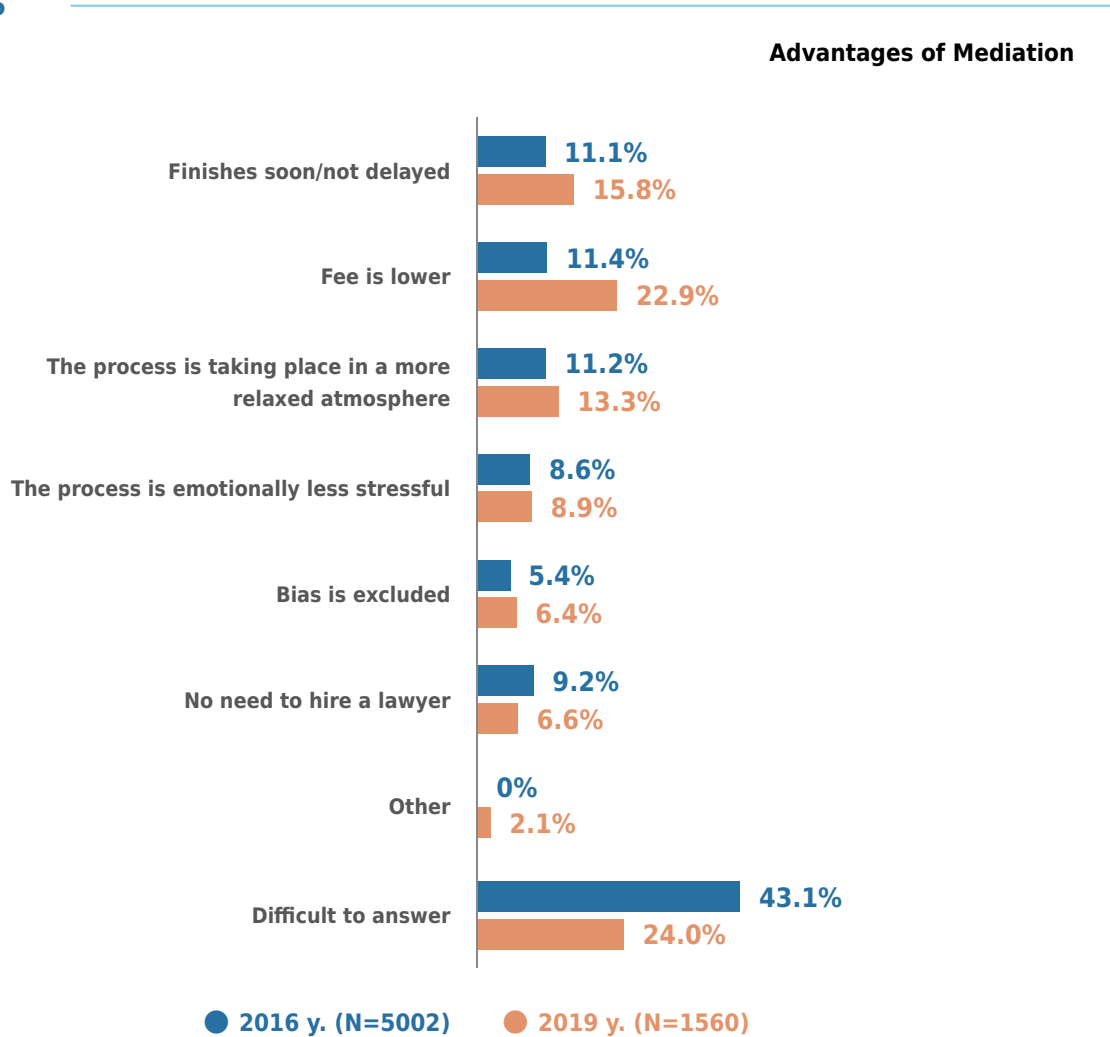


2.3 The advantages of arbitration and mediation compared to litigation

As mediation and arbitration are alternative means of dispute resolution, it is important to analyze their views on **mediation and arbitration in comparison with litigation.**

Respondents initially evaluated advantages of mediation compared to litigation. The question was posed in a semi-structured form, so that the respondents themselves could provide the answer they wanted. A significant proportion of respondents (23.7%) found it difficult to name advantages, however, among those who indicated advantages, the highest scores were in the following categories: “Fee is lower” (22.9%) and “Finishes soon / not delayed” (15.8%) (Diagram) 16).

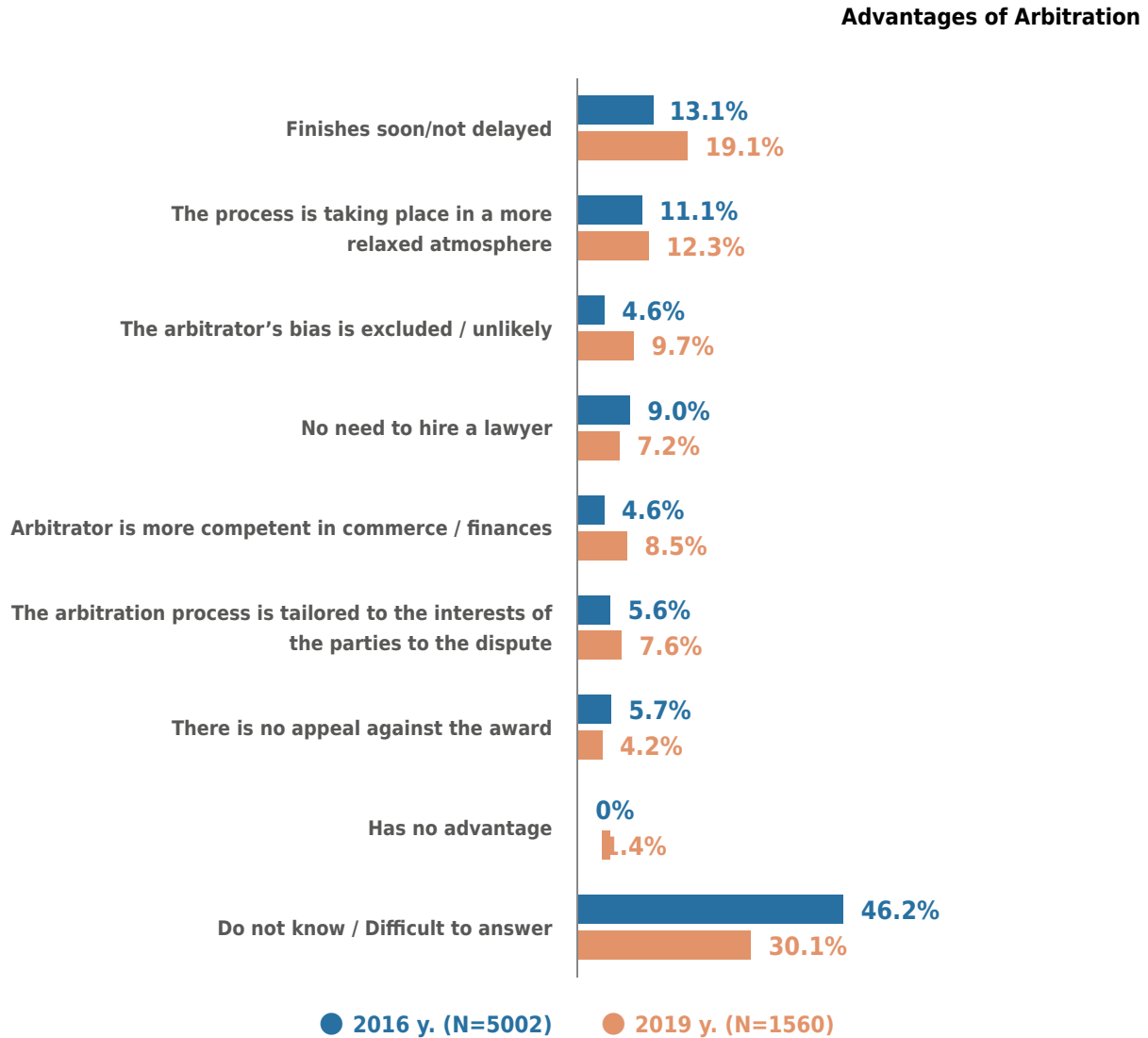
Diagram #16



In the 2016 Survey, particular advantages were not identified and the factors such as a small court fee, a calm process, time efficiency, a lack of need for a lawyer and a less stress were equally important. (Diagram 16)

Most frequently cited **advantages of arbitration** compared to the litigation were - “Finishes soon / not delayed” (19.1%), followed by an answer - “Process in a more relaxed atmosphere” (12.3%) (Diagram 17).

Diagram #17

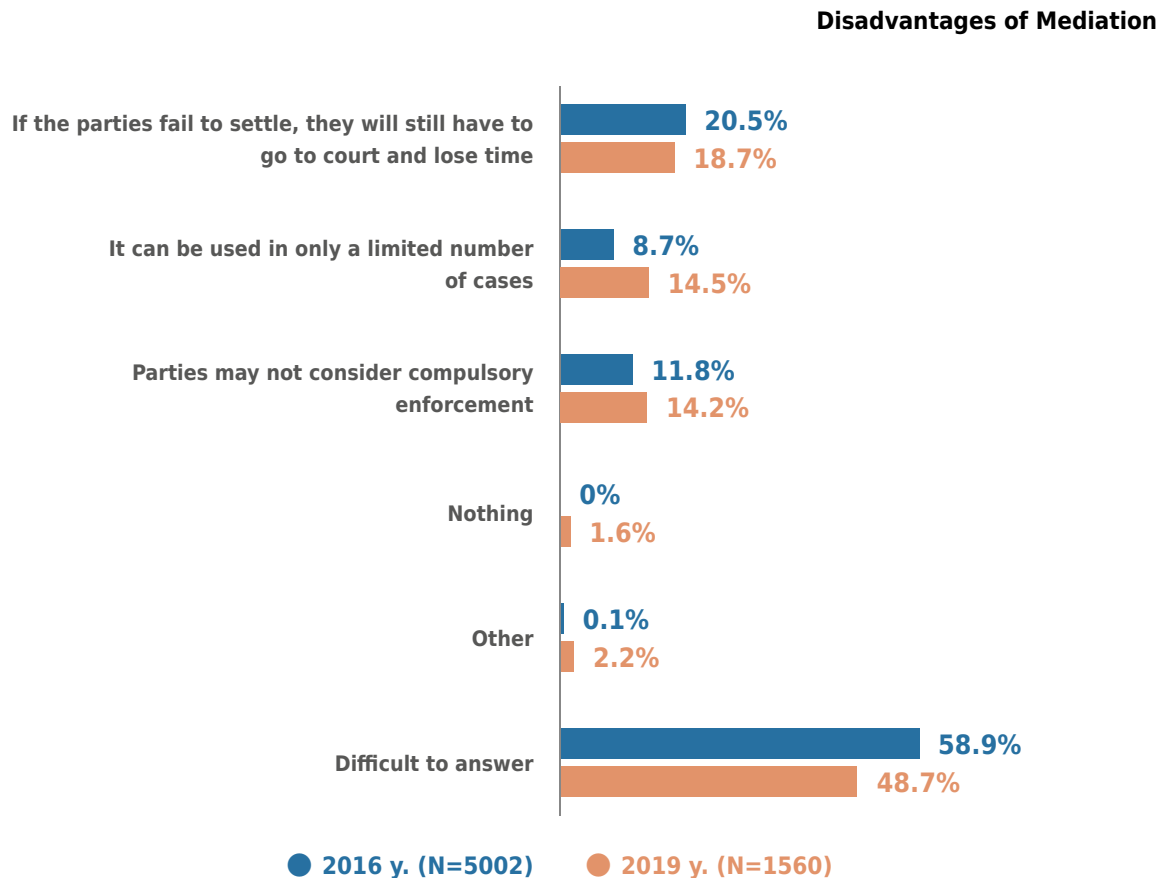


Similar preferences with respect to arbitration were also highlighted in the 2016 Survey: the fast completion (13%) and a process in a more relaxed atmosphere than in court (11%) are most often mentioned (Diagram 17)

2.4 The disadvantages of mediation/arbitration compared to litigation

Respondents also evaluated the **disadvantages of mediation** compared to the litigation. In this case, too, the answers provided subjective opinions of the respondents. In the multi-answer semi-structured question, the majority of the respondents identified the following disadvantages: *“If the parties fail to settle, they will still have to go to court and lose time”* (18.7%), *“It can be used in only a limited number of cases”* (14.5%) and *“parties may not consider compulsory to comply with the settlement”* (14.2%). It is noteworthy that the results in the category *“do not know / difficult to answer”* are high (48%). (Diagram 18)

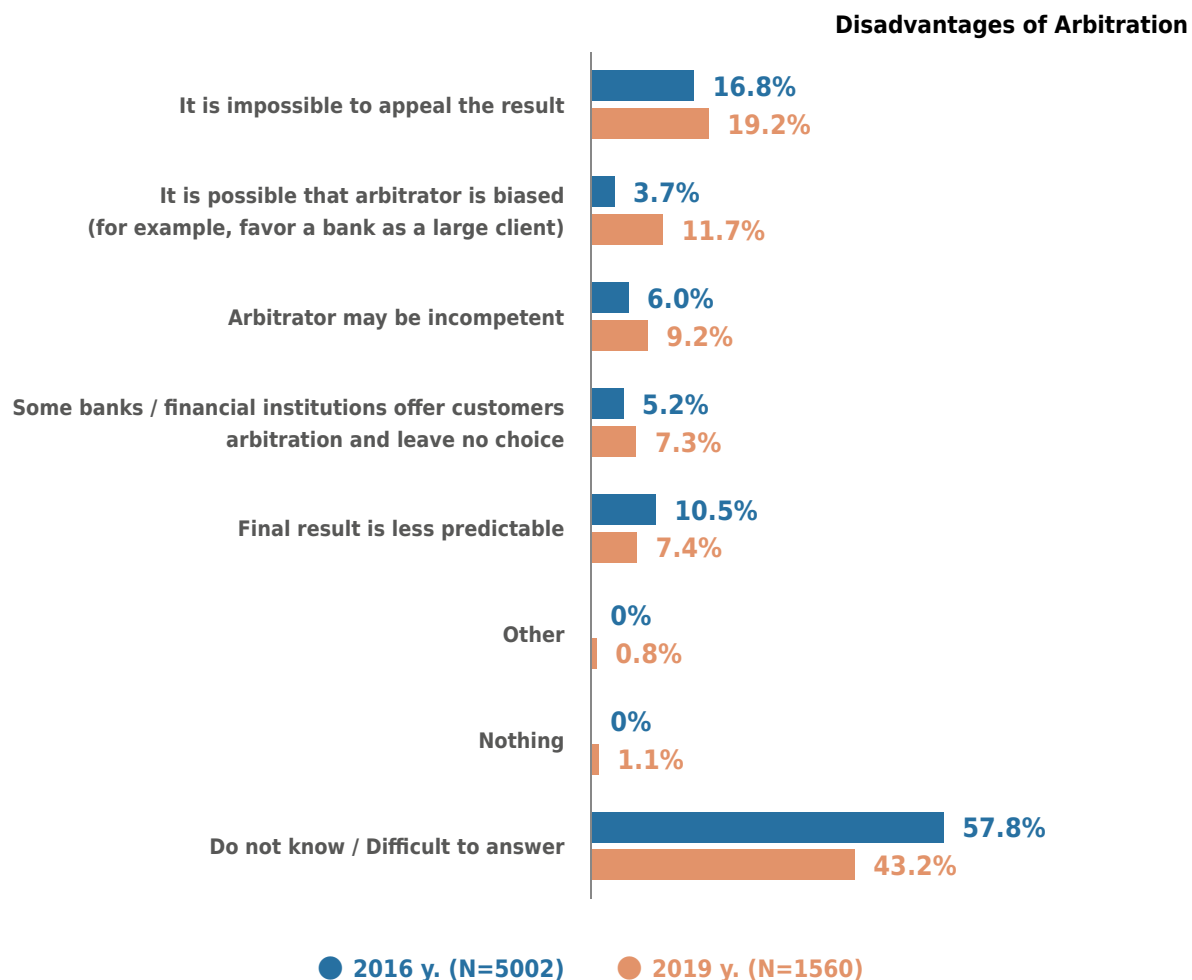
Diagram #18



The 2016 survey shows similar results with regard to the disadvantages of mediation. The problem, for the most part, is that if parties fail to settle, they will still have to go to court and lose time (21%). The non-binding nature of the decision is named by 12%, the limited number of cases is a disadvantage for less than 9%. (Diagram 18)

As for the **arbitration disadvantages**, in 19.2% of cases, respondents indicate that “it is impossible to appeal the result,” 11.7% believe that “it is possible that arbitration is biased”, and 9.2% think that “arbitrator may be less competent” (Diagram 19).

Diagram #19



Similarly, in the 2016 Survey, the shortcoming of arbitration was the impossibility to appeal the results (17%). However, in comparison to 2019 results, in 2016 the unpredictability of the outcome in arbitration was viewed as more problematic aspect (11%). (Diagram 19)

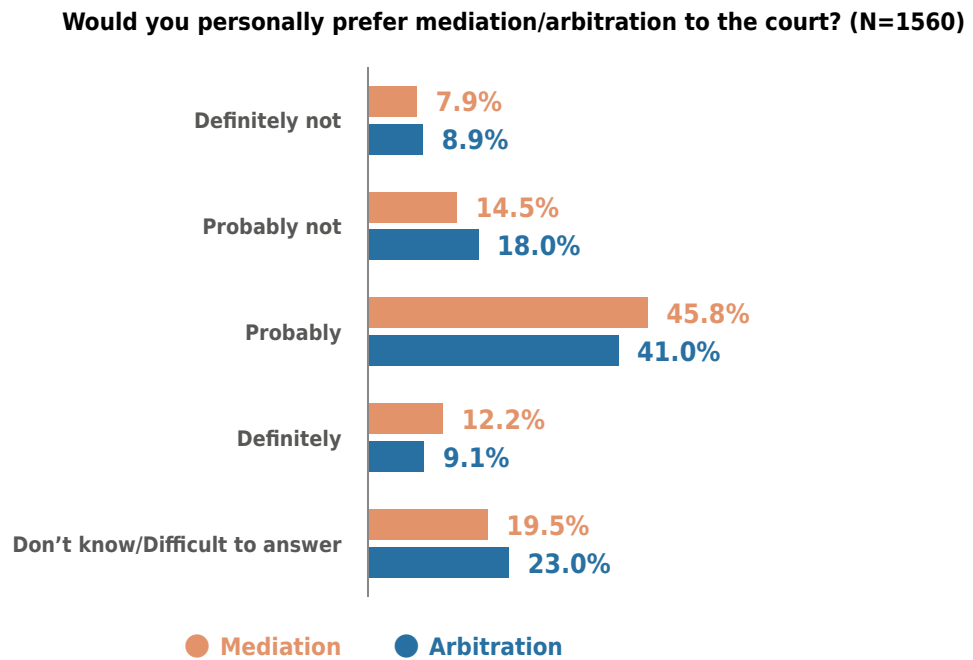
2.5 Priority distribution between mediation or arbitration versus court

After identifying the advantages and disadvantages of mediation and arbitration compared to litigation, **the respondents also expressed their preferences between court and mediation or arbitration.** The question was as follows: “In case of necessity, would you personally prefer mediation or arbitration to the court? (Assuming that the case specifics allow the use of mediation/arbitration)” Respondents’ responses were measured on a 4-point scale, with 1 indicating “Definitely not”, 2 - “Probably not”, 3 - “Probably”, 4 - “Definitely”.

Almost half (45.8%) of the respondents indicated that they would rather choose **mediation** than court. It was difficult to answer for every fifth respondent (19.5%). The collected data does not allow to make the firm conclusions in this regard, hence we cannot conclude whether the respondents would really choose mediation over the court.³

Analysis of the same question on **arbitration** shows that a larger proportion (41%) of the respondents chose arbitration over the court (23% found it difficult to answer). As in the case of mediation, we analyzed arbitration data with respect to the mean (MEAN) as well. Specifically, MEAN = 2.66, indicating that respondents are somewhat inclined to choose arbitration instead of the court, however, this tendency is only slightly expressed and cannot be conclusive⁴ (Diagram 20):

Diagram #20



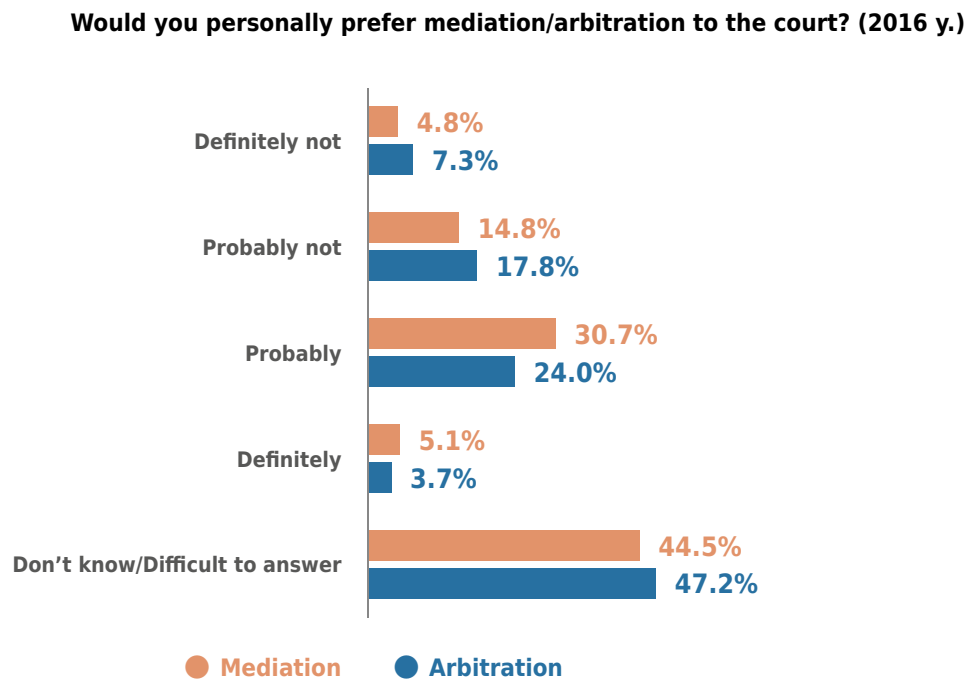
³ The mean score (MEAN) is 2.77, indicating that respondents, when needed, prefer mediation over court. However, the standard deviation rate is 0.822. This means that the MEAN is scattered and we cannot conclude the real advantage of mediation (compared to the court).

⁴ The standard deviation index should be taken into account, which in this case equals 0.833. This means that the MEAN ranges from 1.827 to 3.493, meaning that we cannot say that the answers are in one field but are scattered in the positive and negative fields. Therefore, we cannot talk about the real advantage of mediation (compared to the court).

In the 2016 Survey, there were some significant differences - there was a greater share of those who refrained from identifying their preferences as to mediation, arbitration and court: 45% of the respondents in case of mediation and 47% - in case of arbitration abstained from answering.

Accordingly, in the 2016 Survey, lower number favoured mediation or arbitration over court - 36% favoured mediation and 28% favoured arbitration (Diagram 21):

Diagram #21



3. Experience in Mediation/Arbitration

3.1 Referral Experience

For the study it was important to evaluate the respondents' own experience of using mediation or arbitration. 99% of the respondents have not resorted to either mediation or arbitration for the past 5 years. Only 15 respondents in case of mediation and 16 respondents in case of arbitration (both is - 1% respectively) had such an experience.

The survey shows that the practice of both mediation and arbitration in a group of men slightly exceeds that of women:

- ➔ In mediation: 12 men and 3 women used mediation. It should be noted that the data in terms of gender is statistically significant and even a slight difference should be noted ($\chi^2=7.758$, $df=1$, $p=0.005$).
- ➔ In arbitration: 10 men and 6 women used arbitration.

The 2016 Survey shows very similar results: in case of mediation only 1% of respondents (36 persons), and in case of arbitration - slightly fewer - 0.6 % of respondents (30 persons) had relevant experience.

3.2 Satisfaction with the Service Provided

The survey assessed respondents' **satisfaction** with the service provided (only respondents with experience in mediation/arbitration were asked this question). The outcome of the case was considered here. The main focus here was on services. A 4-step scale was used for evaluation, with 1 indicating "very dissatisfied", 2 - "dissatisfied", 3 - "satisfied", 4 - "Very satisfied".

Out of the 15 respondents who used mediation, 3 were completely dissatisfied, 5 said they were dissatisfied, 5 were satisfied, and only 2 were very satisfied with mediation.

As for 16 people with experience in arbitration, 4 of them were completely dissatisfied with the proceedings, 5 - dissatisfied, 4 - satisfied, and 2 - completely satisfied.

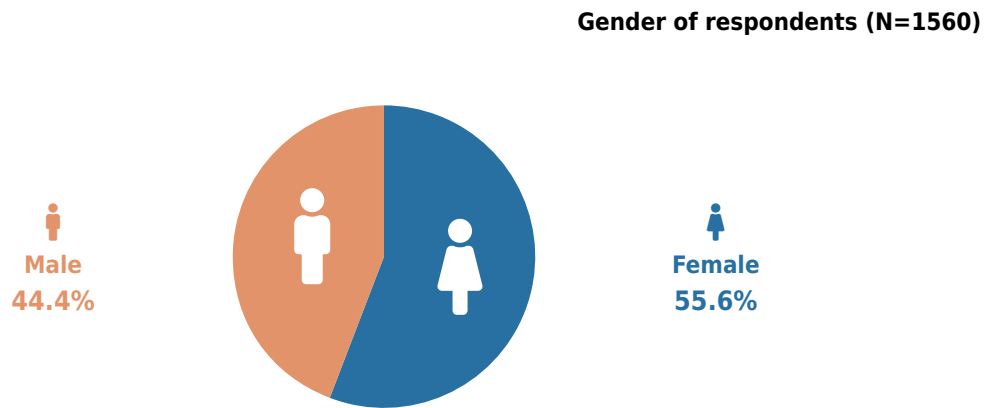
Based on the available data, the experience associated with arbitration tends to be more negative than mediation (although this result cannot be generalized due to the small number of respondents who have used mediation/arbitration).

The 2016 Survey, like the current study, revealed a diverse picture of satisfaction among users of mediation and arbitration. On the other hand, the number of respondents with such experience is so small that the data on their satisfaction cannot be subject to statistical generalization.

Demographics

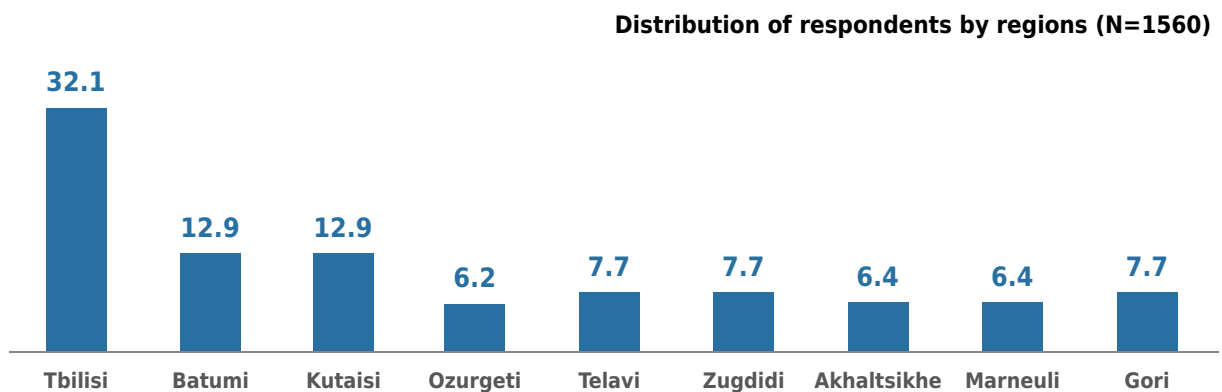
1556 respondents participated in the survey. Out of them, 865 (55.6%) were female, and 691 (44.4%) were male (Diagram 22).

Diagram #22



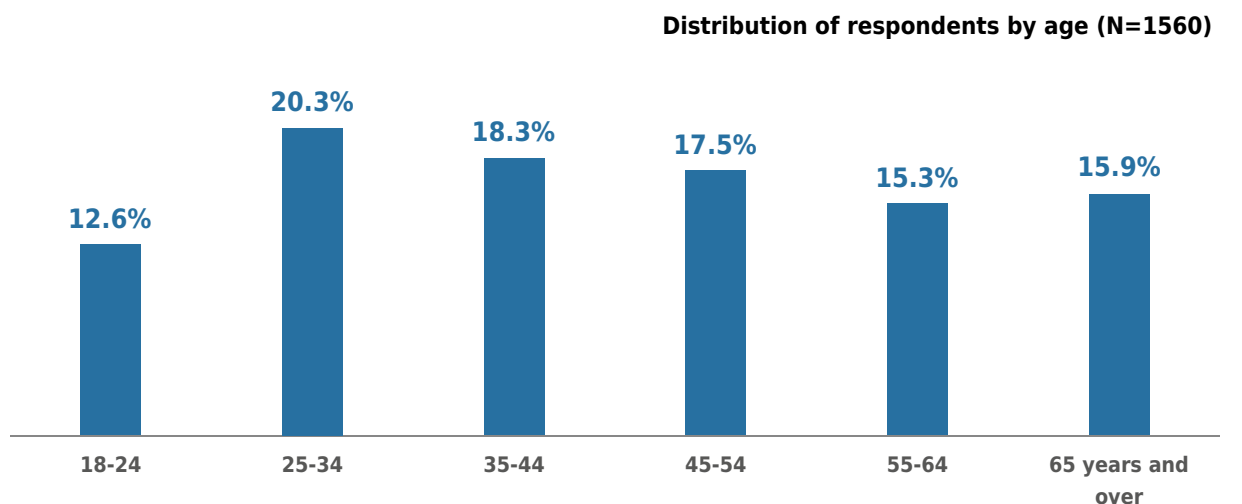
The survey was conducted in 9 urban locations throughout Georgia: Tbilisi, Batumi, Kutaisi, Ozurgeti, Telavi, Zugdidi, Akhaltsikhe, Marneuli, Gori (Diagram 23):

Diagram #23



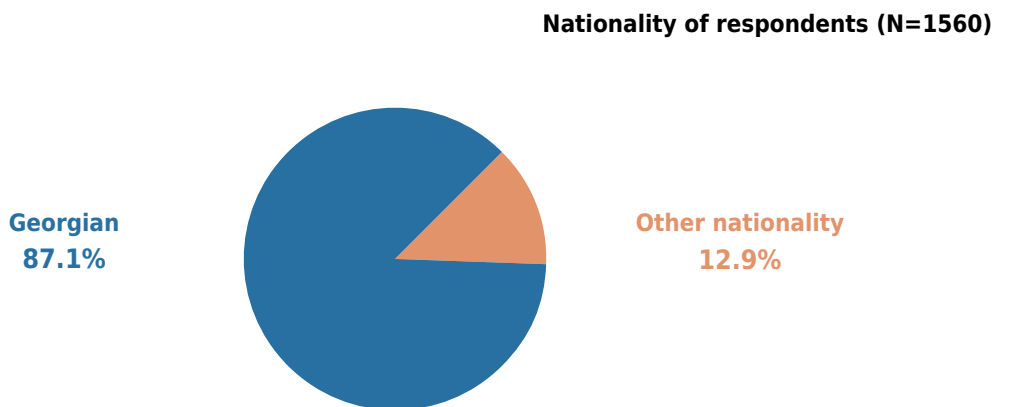
In terms of age, respondents' data was grouped into 6 categories and divided into the following groups: 18-24, 25-34, 35-44, 45-54, 55-64, 65 years and over. Received responses were analyzed in accordance with the categories (Diagram 24).

Diagram #24



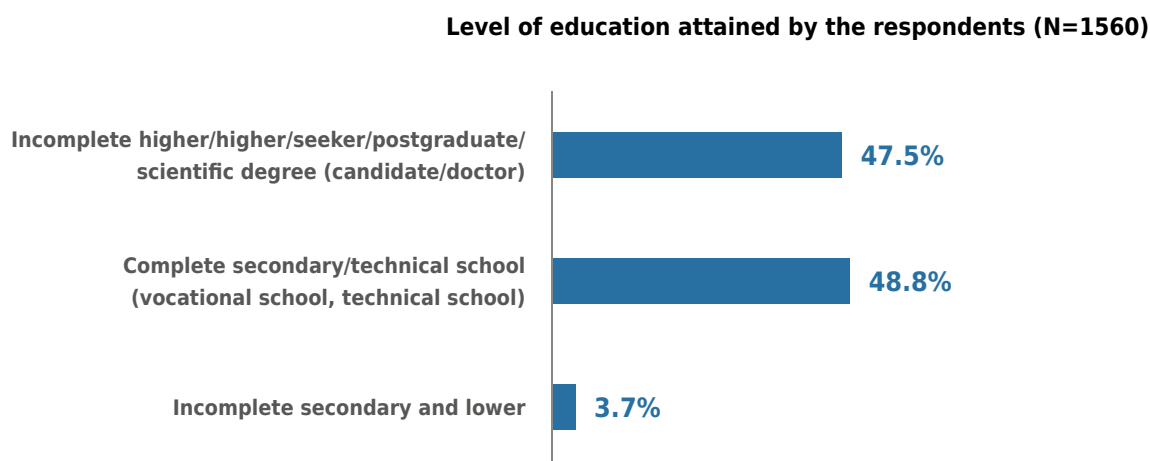
In terms of nationality, the vast majority of respondents identified themselves as Georgian, with approximately 13% reporting that they were of any other nationality. Among them, Azerbaijani respondents predominate. Considering the above, the characteristics of nationality were categorized as representative of Georgian and other nationalities. The analysis of the responses in terms of nationality was made according to this division (Diagram 25):

Diagram #25



The level of education attained by the respondents was grouped into three groups: “Incomplete higher / higher / seeker / post-graduate”, “Complete secondary / technical (vocational)”, “Incomplete secondary and lower”. Most of the respondents were classified as “Incomplete higher / higher / seeker / post-graduate”, “Complete secondary/technical (vocational)”, while the achieved level of “Incomplete secondary / lower education” had only a small number of respondents (Diagram 26).

Diagram #26



According to the occupation, the largest part of the interviewed stated that they were unemployed (32.3%). A significant proportion of respondents, almost every third (31.8%), are employed in the non-public sector (private sector, NGO or self-employed); as for the respondents employed in public sector, their share is 11.9% (Diagram 27):

Diagram #27

