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Department of Foundations of Economic Analysis II
University of the Basque Country UPV/EHU
Avda. Lehendakari Aguirre 83
48015 Bilbao (SPAIN)
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Aitor Ciarreta,
María Paz Espinosa,
Aitor Zurimendi

**Are Bar Associations Anticompetitive?
An Empirical Analysis of Recommended Prices for
Legal Services in Spain**

Are Bar Associations Anticompetitive?

An Empirical Analysis of Recommended Prices for Legal Services in Spain¹

Aitor Ciarreta*

María Paz Espinosa*

Aitor Zurimendi⁺⁺

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Abstract

The European Commission *Report on Competition in Professional Services* found that recommended prices by professional bodies have a significant negative effect on competition since they may facilitate the coordination of prices between service providers and/or mislead consumers about reasonable price levels. Professional associations argue, first, that a fee schedule may help their members to properly calculate the cost of services avoiding excessive charges and reducing consumers' searching costs and, second, that recommended prices are very useful for cost appraisal if a litigant is condemned to pay the legal expenses of the opposing party. Thus, recommended fee schedules could be justified to some extent if they represented the cost of providing the services. We test this hypothesis using cross-section data on a subset of recommended prices by 52 Spanish bar associations and cost data on their territorial jurisdictions. Our empirical results indicate that prices recommended by bar associations are unrelated to the cost of legal services and therefore we conclude that recommended prices have merely an anticompetitive effect.

Keywords: professional associations, recommended prices, anticompetitive conduct.

JEL codes: K21, L44.

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* BRIDGE: Universidad del País Vasco. Departamento de Fundamentos del Análisis Económico II, Facultad de Ciencias Económicas y Empresariales.

++ (*Corresponding author*) BRIDGE: Universidad del País Vasco. Departamento de Derecho de la Empresa, Facultad de Ciencias Económicas y Empresariales. Universidad del País Vasco. Avenida Lehendakari Aguirre 83, E-48015 Bilbao, Spain. aitor.zurimendi@ehu.es.

1.- Introduction

In most countries the practice of law requires joining a Bar Association. These associations have substantial powers regarding permission to practice, legal education and the disciplining of the profession. These practices involve severe restrictions to competition in some countries.² In a study of the professional services for the European Union (Patterson et al., 2003), Spain appears among the member states with more stringent regulations for exercising the legal profession.

The state has delegated the power to supervise the profession to bar associations which guarantee compliance with standards designed to ensure proper professional practice. There are essentially three reasons for the regulation of the provision of legal services. The first is the presence of asymmetric information. Legal practice requires a high level of technical knowledge and consumers may not have sufficient expertise to judge the quality of the services they purchase; professional associations' rules would serve to guarantee the quality of the service provided. The second reason are externalities; the provision of a service may have an impact on third parties and in the absence of any regulation no proper account would be taken of these external effects. The third reason is public interest, for example they help to ensure the constitutional right of all citizens to legal assistance and to guarantee the right to effective judicial protection.³

The state has delegated important functions related to the administration of justice to bar associations. This assignment of public duties to bar associations may be more economically efficient than providing the service by the public sector if the joint production of private and public services entail cost-savings.⁴ However, the incentives for professional associations to restraint competition are intrinsic to their own private interests and some of their practices may follow private objectives rather than the interest of the public. Thus, it is important to see whether they are directed to the

² Professional Associations are often under the scrutiny of antitrust authorities. For instance, the Report of the Spanish antitrust authority, *Comisión Nacional de la Competencia*, on the professional services sector and associations, 2008, states that 10% of the total number of cases has been associated with practices of Professional Associations.

³ These rights are enshrined in most European constitutions. See for example, Articles 17.3 and 24 of the Spanish Constitution.

⁴ Another instance of the efficiency of joint production of private and public services are notaries. See Arruñada (1996).

public interest or not in order to determine to what extent restrictions are justified. This is not always evident since many restrictions may be harmful to competition and hence to consumers and at the same time they may have some efficiency justification. Spanish antitrust law considers admissible any agreements, decisions or concerted practices that contribute to improving the production or marketing and distribution of goods and services or to promoting technical or economic progress, while allowing consumers a fair share of the resulting benefit, and do not impose restrictions which are not indispensable for achieving those goals.⁵ Therefore, if the pro-competitive effect of a rule is deemed more important than the anticompetitive impact on the consumers, then it must be declared admissible, provided it is not achievable by other means or other less pernicious restriction.⁶

We contribute to this debate with an empirical analysis of recommended prices by bar associations and try to determine whether they are justified on efficiency grounds. In practice, the majority of lawyers follow these prices, except for a few large law firms with corporate clients.⁷ A recommended fee schedule based on the cost of providing the service plus a rate of expected profit could facilitate the task of setting prices and avoid excessive charges to consumers. Consumers would also be informed of reasonable prices for each service and it would decrease searching costs. Professional associations have argued that recommended or fixed prices are a mechanism to ensure “right” prices and that they protect the quality of services.⁸ This efficiency argument hinges on the idea that recommended prices are indeed related to cost and therefore provide useful information on a reasonable price for each service.

Fee schedules may be justified on efficiency grounds, but could also serve potentially as a collusive device, facilitating the sustainability of prices above the competitive prices. Whether recommended prices are in fact collusive or competitive is thus an empirical question. The answer lies in whether or not those prices are in fact based on

⁵ Article 1.1 of the Spanish Competition Law, with a content similar to Article 101.3 of the European Union Treaty.

⁶ See Arruñada (2006) on organizational patterns of professional services as a response to information asymmetries and external effects.

⁷ Garoupa and Gómez-Pomar (2008) explain differences in pricing behavior by law firms.

⁸ However, it is unlikely that a fee schedule is able to prevent or discourage practitioners from offering low quality services; in fact, fixed prices may even discourage effort or investment in human capital since a higher quality will not be reflected in the price of the service.

the cost of providing the service or they are just the maximum prices that professional associations can sustain. We address this question using cross-section data on recommended prices by 52 Spanish legal professional associations and cost data on their territorial jurisdictions. Our empirical results indicate that prices recommended by bar associations are unrelated to the cost of legal services and therefore we conclude that recommended prices have merely an anticompetitive effect.

The rest of the paper is organized as follows. Section 2 describes the market for legal services and we argue that market structure would not ensure the sustainability of collusion in the absence of institutional arrangements by bar associations. Section 3 presents the hypothesis of competitive conduct and the regression analysis which allows us to test and reject the hypothesis. The main results are discussed in Section 4.

2.- The Market for Legal Services

In Spain the market for legal services is a local market. Until 1998, being member of a bar association did not enable lawyers to practice outside their jurisdiction and the market was therefore totally closed in each geographical area. After the reform in 1998, lawyers were allowed to practice outside their jurisdiction but there were barriers to mobility; among others, lawyers had to communicate to the bar association of the jurisdiction any legal procedure or service they performed, unless they were members. Even though Act 25/2009 abolished these barriers to mobility, there are not many lawyers that actually practice the profession outside the geographical area of their Association, given the burden of the tradition and the fact that the Bar Associations dislike outside-the-jurisdiction lawyers practicing in their area.⁹ As a result, mobility is very low in legal services; lawyers are usually members of a single bar association and very few lawyers practice in more than one.

The market for legal services (NACE 7411) is highly deconcentrated in most European countries.¹⁰ Since concentration is low, collusive behavior would appear difficult to sustain in the absence of an explicit agreement. However, Colombo and Grillo (2007)

⁹In fact, the Spanish Competition Authority has filed cases against Bar Associations who were preventing outside-the-jurisdiction lawyers from practicing the profession in their geographical areas.

¹⁰ See Patterson, Fink, Ogus et al. (2003). In Spain firms in this sector are particularly small. According to the Service Annual Survey (*Instituto Nacional de Estadística*) in 2007 there were 99,445 firms and the number of lawyers was 151,537.

have shown that in dispersed markets, institutional arrangements that artificially control the firms' marginal cost function may be facilitating devices that help sustain collusion; they give the rules disciplining compensation for lawyers' professional services as an example.

3.- Empirical Analysis

There are 83 bar associations in Spain and each one operates in a different geographical area.¹¹ They publish recommended prices for all types of legal assistance, and fees are very detailed (in some cases there are as many as 600 different procedures or services considered). The prices of these associations are different, although in a few instances two or more bar associations may have the same price schedule.¹² We have selected a subset of 52 bars, one for each province, since we have cost data at the province level. When there are several associations in the same province, we chose the one with more members. Given the high number of legal services and procedures considered in the price schedules, we chose representative cases which may be more common for consumers or businesses in any bar jurisdiction.

Table 1 provides descriptive statistics for the prices of the twelve services considered in the empirical analysis.¹³

Legal Service	Average Price (€)	Std.dev.	Min.	Max.
Ordinary civil suit	2842	561	2176	4300
Unfair dismissal suit	4370	1211	2800	7300
Oral proceedings	417	210	135	1290
Separation by mutual consent	948	235	395	1500
Contested divorce	2150	896	715	4910
Injunction	262	133	75	567
Statement of intestate heirs	518	389	110	1704
Exchange trial	239	82	63	376
Expropriation	476	454	117	3000
Abbreviated administrative procedure	986	353	267	1545
Misdemeanour trial	251	69	120	390
Bankruptcy	1852	932	533	5604

Source: lextools

¹¹ In Appendix 1, we give the list of bar associations in Spain, the province, the region and the number of members (in bold, the Bar Associations used in the empirical analysis).

¹² Prices are published in the web pages of Professional Associations. See also <http://www.lextools.net> for a collection of recommended prices by type of service and for each association.

¹³ In Appendix 2, we provide a detailed description of each service considered.

There are substantial differences between the recommended prices in different jurisdictions. In principle, these differences could be due to costs which also show important regional differences. Under the hypothesis of competitive conduct, professional associations would set prices as a function of the costs in their jurisdiction, to facilitate the task of setting prices and to inform consumers of reasonable prices, thus avoiding excessive charges. If that is the case then the observed recommended prices should reflect the costs of providing the service in the association's territorial jurisdiction and the expected level of profit of a representative practice or business in that area. Thus, we test the hypothesis of competitive conduct by testing the relationship between the bar associations recommended prices and the cost of providing the service plus the expected level of profit. The alternative hypothesis is that the recommended fee schedule is a collusive device and therefore is not necessarily related to cost conditions in each jurisdiction but rather to the maximum price level that associations estimate sustainable in that area.

Thus, under the hypothesis that associations follow a competitive conduct, the association in area j would set prices as a function of costs and the expected profit of a representative business or practice in jurisdiction j :

$$P_j = a + b_1 \text{cost}_j + b_2 \text{eprofit}_j + u_{ij}$$

where P_j is a vector of prices for the different legal services in area j ; cost_j is a vector of variables affecting costs in area j and eprofit_j are variables that could affect the expected level of profit of a practice or business in that area.

We summarize the variables that we use as proxies for cost and expected profits.

Cost of providing legal services: cost_j

The main components of cost for a law practice are labor costs, real state rental costs and bar membership costs.¹⁴

¹⁴ There are other expenses such as communications, transportation, restaurants, cafés and hotels. However, it is unlikely that they significantly affect the final price of a service.

- Labor costs may vary from region to region. The cost of legal services includes the time of the lawyers and assistants involved, and even though the amount of time spent on each type of service is likely to be similar across regions, wages may differ depending on the local labor market conditions. This is the first source of cost differences across jurisdictions. To account for this source of differences in prices we use data on labor costs in the market for services for different regions (**LABCOST_j**).¹⁵
- Another important element of cost differences across regions is the price of real state. A law firm may have the rental price of its headquarters as an important component of total cost. There are strong rental price differences across regions, which would justify price differences in the legal services provided. We have used data on prices of urban land in the different jurisdictions (**RENTAL_j**).¹⁶
- An additional cost for a law practice is the cost of membership to the association, which differs across jurisdictions (**CMEMBER_j**).¹⁷

Expected profit of a law practice: eprofit_j

The expected profit for law practices in a given area should increase with the level of demand for legal services and decrease with the number of practices.

- Given the number of law offices, the expected profit would be higher in those areas with a higher demand for legal services. We could measure demand intensity by the observed number of legal procedures, which should be highly correlated with the general level of demand. Demand for legal services is relatively price inelastic but nevertheless the observed number of procedures could be endogenous if price dependent. To avoid any endogeneity problem, we use as a proxy an indirect measure of the demand for legal services, income

¹⁵ Hourly labor costs data were obtained from *Instituto Nacional de Estadística (INE) "Encuesta Trimestral de Coste Laboral"* for the service sector, 2008.

¹⁶ Data on the prices of urban land in the different provinces were obtained from *Ministerio de la Vivienda*, 2008.

¹⁷ The data on cost of membership were provided by the bar associations.

per capita in the jurisdiction. Those areas with a higher economic activity would be also those with a higher demand for legal services (**DLEVEL_j**).

- Finally, given the demand level, the expected profit of a typical law practice likewise depends on the number of law offices or lawyers in the area. To capture this effect, we use the density in the jurisdiction, defined as the number of lawyers' members of the bar per 1000 habitants (**DENSITY_j**).

Table 2 summarizes basic descriptive statistics of the cost and expected profit variables.

Table 2. Cost and expected profit variables					
Variable	Description	Mean (€)	Std. Dev	Min	Max
Costs					
LABCOST	Labor cost per hour of work	13.3	1.33	11.26	16
RENTAL	Price of m ² of urban land	244.14	113.75	72	510.1
CMEMBER	Cost of bar membership	1400	386	750	2227
Expected profit					
DLEVEL	Income per capita (thousand €)	22.10	4.42	15.26	34.00
DENSITY	Lawyers members of the bar per 1000 habitants	1.97	0.67	0.78	5.06

Source: Bar associations, *Ministerio de la Vivienda* and *INE* (Instituto Nacional de Estadística).

We run the following regression:

$$\text{Price}_{ij} = a + b_1 \text{LABCOST}_j + b_2 \text{RENTAL}_j + b_3 \text{CMEMBER}_j + b_4 \text{COTHER}_j + b_5 \text{DENSITY}_j + b_6 \text{DLEVEL}_j + u_j$$

where index *i* refers to service *i* and index *j* represents the province of the jurisdiction of a bar association. We use cross-section data on prices and cost variables for 2008.

We run price regressions simultaneously, using the same set of regressors. Seemingly unrelated regression (SURE) methods are appropriate as we expect the errors of the 12 equations to be correlated.¹⁸ Table 3 reports the estimation results for each equation.

¹⁸ We run the Breusch-Pagan test and the result allow us to reject the hypothesis that the correlation is zero.

Table 3.- Regression Results I: SURE

	1	2	3	4	5	6	7	8	9	10	11	12
Constant	2252.9*	1588.3	-20.4	1044.2**	-2874.1	260.1	-1341.3	151.7	231.4	-133.6	916.8	-114.6
LABCOST	-60.4	89.13	48.7	97.76*	381.3*	-19.58	87.9	15.57	15.33	62.55*	-56.5	41.3**
RENTAL	0.76	4.77**	0.79**	0.12	1.14	0.23	-0.18	0.08	-0.09	0.78***	0.13	0.03
CMEMBER	0.51*	1.11*	-0.11	-0.15	0.79*	0.01	0.31*	0.03	0.08*	0.13*	0.07	0.01
DLEVEL	40.71	-11.37	-11.47	-54.7***	-36.3	10.7	24	-7.40	-3.24	-3.12***	34.6	-8.26
DENSITY	-301.8*	-605.5*	4.65	38.66	-332.3	-49.01	-157.1	-19.84	16.56	-2.56	-17.6	-2.17
R²	0.19	0.26	0.24	0.40	0.23	0.18	0.28	0.11	0.14	0.44	0.12	0.18

*** significant at 1 %; ** significant at 5%; * significant at 10 %.

The regression results do not show that cost variables are relevant for the recommended prices of legal services. Most of the cost variables are not significant; although they enter with the expected sign whenever these variables are significant (LABCOST and RENTAL are significant in 3 regressions, whilst CMEMBER is significant for 6 prices). Therefore, we cannot conclude based on this estimation results that cost is a significant variable to set prices. Furthermore, expected profit variables are not significant determinants of price formation (DLEVEL and DENSITY are significant for 2 prices).

Overall, we do not find a significant impact of cost and expected profits variables on price formation and data therefore do not support the competitive hypothesis.

One may argue that the cost variables may not affect the price of a particular legal procedure and still have an effect on others or on the average price of legal services. For that reason, we analyze the effect of the same cost and profit variables on the average price. We run an ordinary least squares regression (OLS) using a weighted average of the prices as the independent variable to estimate the coefficients of the model. The weightings are given by the frequency of the type of legal service (civil, labor, penal...)¹⁹.

Table 4.- Regression Results II: Weighted Average Price OLS

Constant	237.1*
LABCOST	43.19
RENTAL	0.68
CMEMBER	0.41*
DLEVEL	-123.8*
DENSITY	4.16
R²	0.18

Standard deviations in parentheses

*** Significant at 1%; ** Significant at 5%; * Significant at 10%

Regression results show that the cost and demand variables considered are not significant at 5%, although membership cost is weakly significant. Demand level is also weakly significant and it enters with a negative sign, that is, in those provinces with

¹⁹ Data on the frequency of different legal services were obtained from “*La Abogacía Española en Datos y Cifras 2008*” Consejo General de la Abogacía Española.

higher income per capita (a measure of demand intensity) bars set lower recommended prices.

The main conclusion of these regressions is that labor cost and rental prices, which are the most important cost items, are not significant. Therefore, cost differences across regions are not sufficient to explain the discrepancies between the recommended prices of different bar associations and the efficiency hypothesis is not supported by the data.

4.- Conclusions and policy implications

Bar associations argue that recommended prices should be allowed on efficiency grounds. A fee schedule is useful to help the members to properly calculate the cost of service, thus avoiding excessive charges. It provides information to consumers on the reasonable price for each service and thus it decreases searching costs; and it can be useful for cost appraisal when a litigant is condemned to pay the legal expenses of the opposing party. All these efficiency arguments require that recommended prices follow the cost of providing the legal service. Our results show that this is not the case.

Using data on prices and costs for their territorial jurisdictions, our regression analysis shows no significant relationship between the cost of providing the services and the prices recommended by the bar associations.

Associations could help their members to set their fee levels by publishing information and formulas that, taking into account the cost and expected level of profit of a particular practice, would determine its prices. This conduct would allow price competition and reach the objective of helping professionals to determine their fees.

Information to consumers on reasonable prices for legal services could be made available, for example, through surveys conducted by independent third parties such as the administration or consumer associations. A solution suggested by the Antitrust Authority favors ex-ante knowledge of the service cost. The obligation to deliver a

quote before hiring the service would allow consumers to choose a professional taking into account the most appropriate price-reputation ratio.²⁰

Recently, Act 25/2009 of December 22 banned for the first time bar associations from fixing recommended price schedules, but the fourth additional provision states that bar associations may do so for the sole purpose of cost appraisal when a litigant is condemned to pay the legal expenses of the opposing party. These scales may become a general guideline to be followed by bar members with the danger of their becoming a guiding mechanism of the price of any service. Certainly, in cost appraisal cases, there is a risk that the lawyer of the successful party tries to exploit the situation by passing a bill higher than it was originally intended to charge his client, had no costs been ordered for the opposing party, and that risk should be avoided. It seems that the regulator has deemed this legal exception necessary. However, in order to avoid the risk of abuse in these cases, there are other less harmful alternatives. For instance, (1) the use of average prices reported by the Administration or by consumer groups, (2) the estimated budget before the service has taken place, which should be deposited at the court at the outset of litigation. These mechanisms do not have the anticompetitive effects of the recommended prices by the bar associations, so that the exception should be evaluated negatively and even more so given that the empirical evidence does not support the hypothesis of competitive conduct.

²⁰ See, *Informe sobre el libre ejercicio de las profesiones* (1992), *Tribunal de Defensa de la Competencia* pp. 59 to 61; and *Commission Report on Competition in Professional Services*, 9.2.2004, COM (2004) 83 final, 37 to 39.

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Appendix 1: List of bar associations in Spain

Bar	Province	Region	Number of members
A Coruña	A Coruña	Galicia	2205
Alava	Álava	Basque Country	768
Albacete	Albacete	Castilla-La Mancha	1132
Alcala de Henares	Madrid	Madrid	500
Alcira	Valencia	Comunitat Valenciana	233
Alcoy	Alicante	Comunitat Valenciana	203
Alicante	Alicante	Comunitat Valenciana	3251
Almeria	Almería	Andalusia	1490
Antequera	Málaga	Andalusia	119
Avila	Ávila	Castilla-León	333
Badajoz	Badajoz	Extremadura	1433
Baleares	Baleares	Balearic Islands	2867
Barcelona	Barcelona	Catalonia	16220
Burgos	Burgos	Castilla-León	873
Cáceres	Cáceres	Extremadura	731
Cadiz	Cádiz	Andalusia	1923
Cantabria	Cantabria	Cantabria	1585
Cartagena	Murcia	Murcia	523
Castellon	Castellón	Comunitat Valenciana	1233
Ceuta	Ceuta	Ceuta	217
Ciudad Real	Ciudad Real	Castilla-La Mancha	942
Córdoba	Córdoba	Andalusia	1644
Cuenca	Cuenca	Castilla-La Mancha	318
Elche	Alicante	Comunitat Valenciana	677
Estella	Navarra	Navarra	57
Ferrol	A Coruña	Galicia	408
Figueres	Girona	Catalonia	180
Gijon	Asturias	Asturias	1152
Girona	Girona	Catalonia	1231
Granada	Granada	Andalusia	2751
Granollers	Barcelona	Catalonia	438
Guadalajara	Guadalajara	Castilla-La Mancha	433
Guipuzcoa	Guipuzcoa	Basque Country	1830
Huelva	Huelva	Andalusia	1091
Huesca	Huesca	Aragón	300

Jaén	Jaén	Andalusia	1334
Jerez de la Frontera	Cádiz	Andalusia	505
La Rioja	La Rioja	La Rioja	649
Lanzarote	Las Palmas de GC	Canary Islands	236
Las Palmas	Las Palmas de GC	Canary Islands	3160
León	León	Castilla-León	1128
Lleida	Lleida	Catalonia	764
Lorca	Murcia	Murcia	210
Lucena	Córdoba	Andalusia	135
Lugo	Lugo	Galicia	585
Madrid	Madrid	Madrid	43522
Málaga	Málaga	Andalusia	4334
Manresa	Barcelona	Catalonia	297
Mataro	Barcelona	Catalonia	372
Melilla	Melilla	Melilla	192
Murcia	Murcia	Murcia	2536
Orihuela	Alicante	Comunitat Valenciana	496
Ourense	Ourense	Galicia	752
Oviedo	Asturias	Asturias	2813
Palencia	Palencia	Castilla-León	279
Pamplona	Navarra	Navarra	1371
Pontevedra	Pontevedra	Galicia	917
Reus	Tarragona	Catalonia	313
Sabadell	Barcelona	Catalonia	794
Salamanca	Salamanca	Castilla-León	958
Sant Feliu de Llobregat	Barcelona	Catalonia	346
Santa Cruz de la Palma	S. Cruz de Tenerife	Canary Islands	189
Santa Cruz de Tenerife	S. Cruz de Tenerife	Canary Islands	2421
Santiago de Compostela	A Coruña	Galicia	724
Segovia	Segovia	Castilla-León	356
Sevilla	Sevilla	Andalusia	5953
Soria	Soria	Castilla-León	163
Sueca	Valencia	Comunitat Valenciana	121
Tafalla	Navarra	Navarra	34
Talavera de la Reina	Toledo	Castilla-La Mancha	265
Tarragona	Tarragona	Catalonia	741
Terrassa	Barcelona	Catalonia	593
Teruel	Teruel	Aragón	141

Toledo	Toledo	Castilla-La Mancha	763
Tortosa	Tarragona	Catalonia	226
Tudela	Navarra	Navarra	151
Valencia	Valencia	Comunitat Valenciana	8510
Valladolid	Valladolid	Castilla-León	1260
Vic	Barcelona	Catalonia	283
Vigo	Pontevedra	Galicia	1364
Vizcaya	Vizcaya	Basque Country	3974
Zamora	Zamora	Castilla-León	383
Zaragoza	Zaragoza	Aragón	2633

Source: Consejo General de la Abogacía Española.

Appendix 2: Description of legal services:

- (1) **Ordinary civil suit**. It applies to private law disputes included in article 249 of the Civil Procedure Law. In general, any proceedings with an amount exceeding € 6,000 and other cases considered in the article not exceeding that amount. To calculate the cost of the proceedings we have assumed that the level of economic interest claimed is € 20,000.
- (2) **Unfair dismissal suit**. Legal procedure initiated by an employee who has been fired without cause under one of the appropriate legal requirements for dismissal. To calculate the cost of the proceedings, we have assumed that the compensation for the worker is € 40,000.
- (3) **Oral Proceedings**. It applies to private law disputes included in art. 250 of the Civil Procedure Law. In general, all proceedings that have a value of less than € 6,000 and other cases covered by the article even when exceeding that amount.
- (4) **Separation by mutual consent**. Marital separation proceedings in which the spouses agree on the settled conditions.
- (5) **Contested divorce**. Dissolution of a marriage where the spouses have not agreed on settled conditions and ultimately the judge must set the final agreement.
- (6) **Injunction**. Special civil action taken to quickly obtain an enforceable court decision. In order to be filed, the action must meet the requirements of article 812 of the Code of Civil Procedure.
- (7) **Statement of intestate heirs**. Proceedings to declare inheritors where the deceased has left no will. When calculating the cost of the proceedings, it is assumed that there is no opposition from anyone.
- (8) **Exchange trial**. Special procedure for collection of bills, checks and promissory notes. When calculating the cost of the proceedings, it is assumed that the amount of the title is €1,000.
- (9) **Expropriation**. Procedure by which the administration takes over a private property when there exists a social interest and without the consent of the owner.

When calculating the cost of the proceedings, it is assumed that the price of the expropriated property is €20,000 and that parties agree on the price.

- (10) **Abbreviated administrative procedure**. Proceedings before the administrative court, faster and simpler than the ordinary proceedings in the cases considered in article 78 of the Administrative Jurisdiction Act. In general, it can only be used for very specific issues and when the amount does not exceed €13,000. When calculating the cost of the proceedings, we have assumed that the level of economic interest claimed is €6,000.
- (11) **Misdemeanour trial**. Criminal proceedings that is followed when the defendant is accused of having committed a misdemeanor. The misdemeanors are less serious than crimes. We have included the cost of assistance and intervention in the trial.
- (12) **Bankruptcy**. Procedure to be followed as a result of the insolvency of a person or a company. We consider the price to be charged to the creditor if the amount of the debt is €20,000.