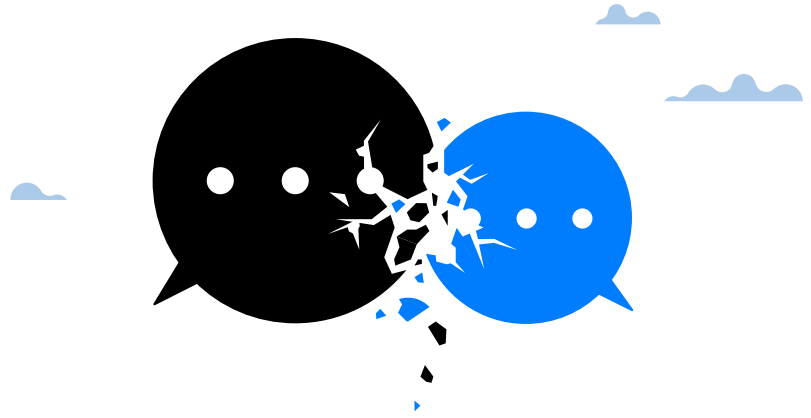
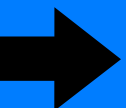




The economic impact of unresolved

low-value commercial disputes

**Unresolved disputes,
untapped growth**



For full report, [click here.](#)



The silent drain on enterprise

Every day, numerous business-to-business transactions end in disagreement – on payment, delivery, quality or performance.

For large companies, these disputes may be inconvenient. For small- and medium-sized enterprises (SMEs), they can be existential.

A 2025 Oxera study for the International Chamber of Commerce (ICC) exposes the staggering economic toll of these “low-value” commercial disputes that are never resolved – often because the cost of enforcing a contract exceeds the value of the claim itself.

The result is an invisible but systemic drag on productivity, investment and growth – a “missing market” for justice that distorts economies worldwide.

In many developing economies, the cost of court proceedings is higher than the claim value, meaning that pursuing justice makes no financial sense. The rational choice is often to walk away – but that choice, repeated millions of times, weakens trust across markets and suppresses the appetite to invest.



From business losses to macro-economic harm

The Oxera study, released in October 2025, traces how unresolved disputes ripple outward from individual firms to entire economies.



1. At the firm level, unresolved claims drain liquidity, tie up working capital and consume valuable management time. Small firms spend the equivalent of weeks each year chasing late payments – time that could fuel innovation or new sales.



2. At the market level, the absence of predictable enforcement raises uncertainty and discourages long-term contracting. Firms retreat into trusted personal networks and familiar partners, reinforcing insider markets and raising barriers to entry for newcomers.

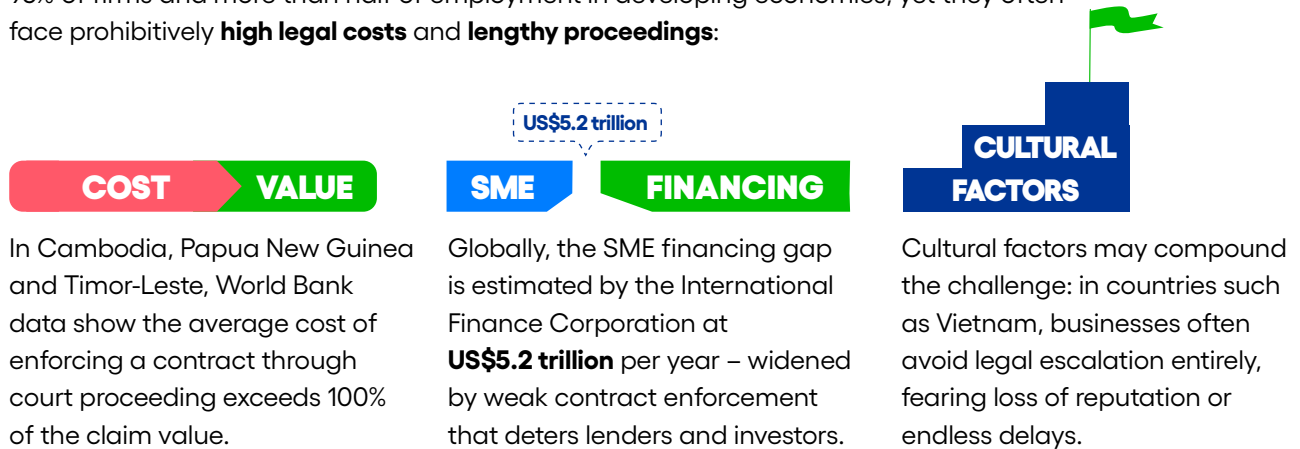


3. At the systemic level, this loss of confidence reduces investment, tightens credit, and lowers overall productivity. Weak contract adherence limits access to finance, depresses competition and slows job creation.

In aggregate, unresolved disputes act as a macro-economic brake – a hidden constraint on growth equivalent to a structural tax on enterprise.

Why SMEs in developing economies suffer most

The burden falls disproportionately on smaller businesses in emerging markets. SMEs make up 95% of firms and more than half of employment in developing economies, yet they often face prohibitively **high legal costs** and **lengthy proceedings**:



Without affordable and effective dispute resolution mechanisms, these firms operate in permanent risk-management mode – struggling to access cost-effective credit and reluctant to invest in innovation or engage new partners. **This self-reinforcing cycle erodes competitiveness and limits participation in global value chains.**

Justice as economic infrastructure

The message from the study is clear:
efficient, accessible dispute resolution is not only a legal necessity – it is an economic imperative.

Just as ports, energy grids and broadband enable commerce, so too does a functioning justice system that allows firms to enforce contracts quickly and fairly.

Improving access to justice for SMEs delivers multiple growth dividends:

✓	Frees capital locked in unpaid invoices and reduces the need for costly litigation.
✓	Builds trust between buyers and suppliers, expanding the scope of trade.
✓	Deepens credit markets by giving lenders confidence that contracts will be honoured.
✓	Encourages innovation by allowing smaller firms to invest without fear of opportunism.

In short, accessible dispute-resolution systems are vital economic infrastructure – underpinning investment, competition and sustainable growth.

A digital pathway forward

Digital innovation now offers a once-in-a-generation opportunity to democratise access to justice.

Online Dispute Resolution (ODR) platforms – using structured digital processes, secure document exchange and virtual mediation – can resolve many commercial disputes at a fraction of the time and cost of court proceedings.

In collaboration with a number of partners, ICC is developing an ODR platform tailored for micro-, small- and medium-sized enterprises. This initiative builds on ICC's century-long leadership in standardising international commercial practice and in enabling access to justice for businesses worldwide.

By integrating ODR into national legal systems and trade frameworks, governments can create a low-cost, high-trust layer of justice infrastructure – particularly valuable for cross-border transactions and digital trade.