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*as a manuscript*

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**Determinants of Judicial Performance in Reviewing Administrative Decisions**

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## **Research problem**

In Russia, decisions on violation of the law by firms are made by the Federal Tax Service, the Federal Customs Service, and the Federal Antitrust Service. Their decisions have a significant economic effect on the strategies of companies accused of violations. The results of challenging those decisions in commercial courts significantly impact companies' business practice and demonstrate potential errors of state bodies.

The peculiarity of the judicial system in Russia in general and of the commercial courts is the low cost of access to the consideration of the court case. The database of commercial courts contains a relatively representative sample of administrative proceedings for any period. Simultaneously, low access costs are combined with the parties' broad possibilities to provide new evidence that has not been considered in the administrative process. Another feature of the Russian judicial system is that judges considering claims against administrative bodies are not specialized in certain law branches. It is also vital that the first instance's decisions are reviewed in the appeal on the merits, to the same extent as by the first judge. The high court decisions do not form the binding rules for applying the law for the courts of lower instances. In the meantime, judges' system of motivation creates incentives for making decisions as quickly as possible.

For Russia, as for a country in intensive modernization of the legal environment, assessing the quality of enforcement is especially relevant and remains insufficiently studied. In addition, the issue of reviewing administrative decisions in Russian commercial courts is relevant since the judicial system affects:

- standards for the application of administrative legislation;
- costs of applying legislation;
- costs of resolving disputes over the application of legislation;
- the behavior of administrative authorities and companies.

This study focuses on cases of challenging decisions of the Antitrust, Tax, and Customs services. These administrative bodies contain elements of a quasi-judicial procedure in their organizational structure: decisions undergo an investigation procedure, there is a stage of departmental appeal. The departmental appeal is an accusatory process, the burden of proof on the side of companies. However, further judicial review of the case involves an adversarial process with the burden of proof on the side of the administrative authority. In Russia, it is the judicial stage of administrative law enforcement that is preferable for companies accused of offenses. This fact leads to both a significant number of court cases on cancellation of these authorities' decisions and high cancellation rates of their decisions.

Currently, the courts' process of making decisions is one of the leading research issues in Economics and Law. Research shows that a judge's decision-making in each case depends on factors outside the purely legal framework, including the judge's career incentives and various parameters of the litigants' characteristics.

### **Literature Review**

Enforcement of contracts and protection of property rights are essential elements of the economic system, ensuring the stimulation of investment, trade, and economic growth. Adam Smith emphasized that both trade and industry cannot develop without the rule of law in a society where the population lacks property rights protection, contract law is not supported, and no institutions regulate the system of punishment for violation of legal norms<sup>1</sup>.

For a long time, the quality of the courts' work was a prerequisite for economic research: it was assumed that agents enter into contractual relations without disputes, and the courts ensure the perfect execution of these contracts<sup>2</sup>. Such prerequisites began to be challenged in the late 20th and early 21st centuries using

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<sup>1</sup> Smith, A. (1776). *An Inquiry Into the Nature and Causes of the Wealth of Nations* (T. Vol. II). Hartford, CT: Lincoln & Gleason Printers.

<sup>2</sup> Williamson, O. (1985). *The Economic Institutions of Capitalism: Firms, Markets and Relational Contracting*. New York: The Free Press.

empirical methods, where researchers emphasize that it is not only the legal system that affects economic growth and economic activity in general<sup>1</sup> but also the quality of law enforcement<sup>2</sup>.

Given the significant impact of the judicial system on economic processes, researchers are studying what describes the courts' mechanism and the determinants of this mechanism's (in) efficiency. At the heart of the product produced by the judiciary - judicial practice (judges' decisions) - is how each judge makes decisions. Theoretical studies in Economics and Law have accumulated quite a lot of experience in analyzing the factors that determine judicial decision-making quality. A fundamentally new approach to analyzing the way a judge makes decisions was shown by Richard Posner, who made a significant contribution to research on the way a judge makes decisions in the article "What do judges and justices maximize? (The same thing everybody else does)"<sup>3</sup>. This article begins the current stage of the analysis of factors influencing a judge's decision-making process. The basis is the now obvious principle of representing a judge as a rational agent who maximizes his/her utility depending on his incentives and limitations. Previously, the judge was considered more simplistic - as an agent who always makes quality decisions, following the "rule of law." At this moment, a parallel was drawn between a judge and an economic agent, which later became the basis of modern approaches to analysis. Simultaneously, the judicial system is presented as a labor-intensive production function, the release of which depends on the quality of labor resources - judges and decisions made by him/her.

Subsequent studies in Economics and Law analyze the determinants of judges' decisions. Scientists consider various individual characteristics, such as, for

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<sup>1</sup> La Porta R., Lopez-De-Silanes F., Shleifer A., Vishny R. (1998). Law and Finance. *The Journal of Political Economy*, 1113–1155.

Acemoglu D., Johnson S. (2005). Unbundling Institutions. *Journal of Political Economy*, 113, 949–995.

<sup>2</sup> Chemin, M. (2009). Do Judiciaries Matter for Development? Evidence From India. *Journal of Comparative Economics*, 37, 230–250.

Ippoliti R., Melcarne A., Ramello G. B. (2015). Judicial efficiency and entrepreneurs' expectations on the reliability of European legal systems. *European Journal of Law and Economics*, 40(1), 75–94.

<sup>3</sup> Posner, R. A. (1993). What do judges and justices maximize? (The same thing everybody else does). *Supreme Court Economic Review*, 3, 1-41.

example, age<sup>1</sup>, the level of professional specialization (expertise) of a judge<sup>2</sup> and educational level<sup>3</sup>, factors of motivation in career promotion<sup>4</sup> and other characteristics that affect the performance of a judge and the quality of court decisions. In addition to the judge's characteristics, it is also essential to consider the quality of the institutional environment in general and the incentives of other participants in the process - the administrative authority and the accused party (company). Thus, the quality of the decision depends on the judge's professional characteristics and the result of interaction between the parties to the legal dispute - the accused company and the administrative authority.

At the same time, the factor of the quality of a judge's decision itself does not have a clear indicator among researchers. The indicators used in research to measure the quality of judicial decisions are based on independence, accessibility, measurability, and productivity<sup>5</sup>. The most used indicators of this are the share of contested/revoked decisions<sup>6</sup>, the number of judgments reviewed, and various relative values associated with this indicator – the share of considered decisions in

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<sup>1</sup> Schneider, M. R. (2005). Judicial career incentives and court performance: An empirical study of the German labour courts of appeal. *European Journal of Law and Economics*, 20(2), 127–144.

Epstein, L., W. Landes and R. Posner. (2013). *The Behavior of Federal Judges*. Cambridge, MA.

<sup>2</sup> Baye, M.R., Wright, J.D. (2011). Is Antitrust too Complicated for Generalis Judges? The Impact of Economic Complexity and Judicial Training on Appeals. *Journal of Law and Economics*, 54(1), стр. 1-24.

<sup>3</sup> Drobak, J. N., North, D. C. . (2008). Understanding judicial decision-making: The importance of constraints on non-rational deliberations. *Washington University Journal of Law & Policy*, 26, стр. 131-152.

Garoupa, N., Ginsburg, T. (2009). Reputation, Information and the Organization of the Judiciary. *Journal of Competition Law & Economics*, 4, стр. 226-254.

Landes W.M., Lessig L., Solimine M.E. (1998). Judicial Influence: A Citation Analysis of Federal Courts of Appeals Judges. *Journal of Legal Studies*, 27, 271–332.

Choi S.J., Gulati M., Posner E.A. (2012). What do federal district judges want? An analysis of publications, citations, and reversals. *The Journal of Law, Economics, & Organization*, 28(3), 518–549.

Ramseyer, J. (2012). Talent Matters: Judicial Productivity and Speed in Japan. *International Review of Law and Economics*, 32, 38–48.

Basabe-Serrano, S. (2019). The Judges' Academic Background as Determinant of the Quality of Judicial Decisions in Latin American Supreme Courts. *Justice System Journal*, 40(2), 110–125.

<sup>4</sup> Baum, L. (2006). *Judges and Their Audiences: A Perspective on Judicial Behavior*. Princeton, NJ.

Baum, L. (2009). *The puzzle of judicial behavior*. University of Michigan Press.

<sup>5</sup> Staats, J., Bowler, S., & Hiskey, J. (2005). Measuring judicial performance in Latin America. *Latin American Politics and Societies*, 47(4), 77–106.

<sup>6</sup> Baye, M.R., Wright, J.D. (2011). Is Antitrust too Complicated for Generalis Judges? The Impact of Economic Complexity and Judicial Training on Appeals. *Journal of Law and Economics*, 54(1), стр. 1-24.

the total number of claims, the total number of received claims for the last year.<sup>1</sup>; as well as the duration of the consideration of the court case<sup>2</sup>.

Thus, the quality of a judge's decisions in each case depends on many factors beyond the purely legal norms, including the career incentives of the judge, political preferences, and various groups of individual characteristics of the litigants. This study contributes to the study of factors affecting the quality of court decisions. The analysis results are important from the point of view of the quality of law enforcement at the national level and the institutional environment in general.

### **Research Aim**

The goal is to determine the factors influencing judges' work efficiency in Russian commercial courts concerning cases on challenging decisions of administrative authorities.

### **Research Objectives**

It is necessary to solve the following tasks to achieve this goal:

- To summarize the results of academic research on the analysis of the measuring performance of judges and factors affecting the performance;
- To select indicators of the performance of judges and formulating hypotheses about factors affecting the performance of Russian judges when they consider cases on challenging decisions of administrative authorities, based on theoretical premises and taking into account the specifics of the Russian system of administrative law enforcement;

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<sup>1</sup> Schneider, M. R. (2005). Judicial career incentives and court performance: An empirical study of the German labour courts of appeal. *European Journal of Law and Economics*, 20(2), 127–144.

Voigt S., El-Bialy N. (2016). Identifying the determinants of aggregate judicial performance: taxpayers' money well spent? *European Journal of Law and Economics*, 41(2), 283–319.

Dakolias, M. (1999). *Court performance around the world: a comparative perspective*. The World Bank.

Posner, R. A. (2000). Is the Ninth Circuit Too Large? Statistical Study of Judicial Quality. *Journal of Legal Studies*, 29(2), 711–719.

<sup>2</sup> Vereeck L., Mühl M. (2000). An economic theory of court delay. *European Journal of Law and Economics*, 10(3), 243–268.

Dakolias, M. (1999). *Court performance around the world: a comparative perspective*. The World Bank.

- To develop an empirical analysis methodology aimed at testing empirical hypotheses;
- To carry out the collection, coding, and creation of a unified database, including the information necessary for the conduct of the analysis, based on a database of commercial cases from open sources;
- To conduct an empirical analysis to test the formulated hypotheses and meaningful interpretation of the results obtained about factors affecting the quality of a judge's decision concerning Russian administrative law enforcement practice;
- To provide policy recommendations on possible ways to improve the performance of Russian judges based on the results obtained in the study

### **Scientific novelty**

- For the first time for Russian judges, several hypotheses about the factors of the effectiveness of decisions on claims for the canceling of non-normative acts of administrative bodies in commercial courts of the first instance were tested:
  - on the impact of specific competencies as opposed to general competencies;
  - on the impact of additional efforts of the judge on the consideration of the case materials.
- Original quantitative indicators reflecting important characteristics of judges are proposed:
  - the number of cases of a particular type, in which the judge has previously taken decisions - to measure the exceptional experience of judges;
  - deviation of the actual time of consideration of the case from the forecast - to measure the judge's efforts.
- For the first time, the assessment of the characteristics of the organization and procedures in the commercial courts of the Russian Federation is given. The base

for that is quantitative analysis and identification of the dependence of performance indicators on the characteristics of judges, the cases under consideration, and the period for making decisions.

### **Methodology**

The analysis of the main characteristics of the Russian model of administrative law enforcement shows that, in addition to open judicial review (the option of attaching additional case materials at any stage of its consideration) and the lack of specialization of courts for considering cases of a particular type, the Russian model of administrative law enforcement also concentrates the primary resources of participants in the process of administrative law enforcement at the stage of judicial consideration of cases on challenging decisions of administrative bodies. This fact determines the critical role of the judicial system in ensuring the quality of administrative law enforcement, which determines the relevance of the study of the factors of the performance of judges.

In this work, we define the performance of judges as a combination of two elements, based on the economic understanding of this concept, namely: the production of a quality product (the legal quality of the judge's decision) and the productivity of the judge (the speed of decision-making). Judges who ensure a higher legal quality of decisions made with the exact labor costs (productivity) or the same legal quality of decisions with fewer labor costs should be considered more effective. If the assessment of the judge's performance, i.e., the speed of his decision-making, does not cause difficulties in terms of its interpretation and change, then the quantitative analysis of the legal quality of court decisions is a complex task that does not have a unified approach in the works of researchers. In this work, the term "quality of a judge's decision" means "the legal quality of a judge's decision," after this, both combinations are assumed to be equivalent.



The choice of variables reflecting the quality of a judicial decision is based on an earlier comparative analysis of the research approaches in this area<sup>1</sup>. In the framework of the analysis, the following indicators of the quality of work of judges are used (explained variables in the framework of the regression analysis):

**Dependent variables:**

1. The fact of challenging the judge's decision of the first instance – the appeal of the commercial court's decision of the first instance.
2. The fact of cancellation of the court's decision of the first instance by the commercial courts of higher instances.

The choice of critical factors, the influence of which on the quality of work of judges we assess within the regression analysis framework, is determined by hypotheses formulated based on a comparative analysis of research results in this area<sup>2</sup>.

**Main explanatory variables:**

**I. General professional competence of a judge**

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<sup>1</sup> Schneider M. R. Judicial career incentives and court performance: An empirical study of the German labour courts of appeal // *European Journal of Law and Economics*. - 2005 г. - 2 : Т. 20. - с. 127–144.

Basabe-Serrano S. The Judges' Academic Background as Determinant of the Quality of Judicial Decisions in Latin American Supreme Courts // *Justice System Journal*. - 2019 г. - 2 : Т. 40. - с. 110–125.

Baye, M.R., Wright, J.D. Is Antitrust too Complicated for Generalist Judges? The Impact of Economic Complexity and Judicial Training on Appeals // *Journal of Law and Economics*. - 2011 г. - 1 : Т. 54. - с. 1-24.

Denvir Stith L., Root J. The Missouri Nonpartisan Court Plan: The Least Political Method of Selecting High Quality Judges // *Missouri Law Review*. - 2009 г. - 1 : Т. 74. - с. 711–750.

<sup>2</sup> Schneider M. R. Judicial career incentives and court performance: An empirical study of the German labour courts of appeal // *European Journal of Law and Economics*. - 2005 г. - 2 : Т. 20. - с. 127–144.

Basabe-Serrano S. The Judges' Academic Background as Determinant of the Quality of Judicial Decisions in Latin American Supreme Courts // *Justice System Journal*. - 2019 г. - 2 : Т. 40. - с. 110–125.

Baye, M.R., Wright, J.D. Is Antitrust too Complicated for Generalist Judges? The Impact of Economic Complexity and Judicial Training on Appeals // *Journal of Law and Economics*. - 2011 г. - 1 : Т. 54. - с. 1-24.

Choi S.J., Gulati M., Posner E.A. What do federal district judges want? An analysis of publications, citations, and reversals // *The Journal of Law, Economics, & Organization*. - 2012 г. - 3 : Т. 28. - с. 518–549.

Drobak, J. N., North, D. C. Understanding judicial decision-making: The importance of constraints on non-rational deliberations // *Washington University Journal of Law & Policy*. - 2008 г. - Т. 26. - с. 131-152.

Epstein, L., Landes and R. Posner *The Behavior of Federal Judges* // Cambridge, MA. - [6.m.] : Harvard Univ. Press, 2013 г.

Garoupa, N., Ginsburg, T. Reputation, Information and the Organization of the Judiciary // *Journal of Competition Law & Economics*. - 2009 г. - Т. 4. - с. 226-254.

Landes W.M., Lessig L., Solimine M.E. Judicial Influence: A Citation Analysis of Federal Courts of Appeals Judges // *Journal of Legal Studies*. - 1998 г. - Т. 27. - с. 271–332.

Ramseyer J.M. Talent Matters: Judicial Productivity and Speed in Japan // *International Review of Law and Economics*. - 2012 г. - Т. 32. - с. 38–48.

Hypothesis 1 (H1). General professional competencies have a positive effect on the quality of the work of judges. The higher the judge's general qualification, the less likely it is to commit a legal error (the higher the quality of the decision made).

The following variables are used as general professional competencies of a judge (the method of encoding the variable is indicated in brackets):

1. General work experience of a judge in years;
2. The judge has a Ph.D. in Law degree (1 – yes, 0 – no);
3. Belonging of a judge to the "new generation" of judges (1 - the period when a judge received higher education after 1991, 0 - otherwise);
4. Qualification class of a judge (from 1 to 5, 0 – no qualification class);
5. Fact of professional awards of a judge (1 – a judge has departmental awards, 0 – no).

## **II. Special professional competence of a judge**

Hypothesis 2 (H2). Special competencies of a judge increase the quality of a judicial decision. In this case, we are talking about the "training effect" of a judge in the process of considering cases on challenging decisions of specific administrative bodies.

The following variables are used as special professional competencies of a judge (the method of encoding the variable is indicated in brackets):

1. The judge's experience in considering each type's cases with the cumulative total at the time of the case, natural logarithm;
2. The judge has an economic education (1 - yes, 0 - no).

## **III. Excessive / insufficient time for consideration of the case**

Hypothesis 3 (H3). The amount of additional efforts the judge spent on considering the case has a positive effect on the quality of the court decision.

The expected average for cases with comparable characteristics is first estimated for the case's duration in the first instance to measure the amount of additional time for consideration of the case materials by the judge (1).

$$Time = X_i' \hat{\beta} + e_{effort} \quad (1)$$

where *Time* – dependent time variable predicted from the vector of explanatory variables  $X_i' \hat{\beta}$  used in the model (described in more detail below).

The error term  $e_{effort}$  (effort) indicates the case's complexity and measures the additional amount of resources spent by the judge to resolve the dispute.

### **Control variables**

We should note that the strategies of the administrative authorities and the defendants of the company differ when appealing decisions. The administrative authorities are motivated to challenge the judge's decision until the outcome of the litigation is realized in their favor. On the other hand, when deciding on challenges, companies consider the potential direct and indirect costs of continuing to participate in the process. That may not be related to the quality of the court decision but affect the selected quality indicators (the likelihood of an appeal and the likelihood of a review of the first instance court's decision). We divided the database into subsamples depending on the party challenging the judgment (administrative authority or the accused company) to account for these effects. In addition, the model introduces several characteristics of litigants that can affect the dependent variables:

#### **1. The size of the accused company**

The category of accused companies that are included in the list of 600 largest companies in Russia in terms of revenue (1 - included in the top 600, 0 - not included).

**2. The administrative authority of the contested decision** – FAS, FTS, FCS (dummy variables, for each administrative body, taking the value 1 if the contested decision of the FAS / FTS / FCS, 0 - otherwise).

**3. The number of instances** as a proxy variable of the complexity of the case. We measure it as the volume of materials to be analyzed on the merits to make a final decision. The more the number of instances considering the case, the more the difference is between the initial set of evidence and the volume of case materials considered in the court of the instance that makes the final decision; that is, the higher the likelihood of a change in the judgment.

**4. Experience of plaintiffs and defendants** - the indicator is calculated as the number of cases on challenging decisions of a specific administrative authority or on a claim of a specific plaintiff company, opened earlier in the case (tracked by the date of opening the case).

The factorial variables also include characteristics of judges that are not related to their qualifications or work experience but capable of influencing the performance of their work:

1. Gender of the judge (coded as 1 - male, 0 - female)
2. Additional career functions of a judge, including his / her status (president of a court, deputy president of a court, or head of a group of judges), participation in scientific and/or teaching activities. In all cases, the presence of a feature was coded as 1, its absence - 0.

In addition, the control variables include the year of the case start and the region to which the court belongs to consider the time effects and other regional features that can affect the activities of the arbitration courts of the subjects.

Estimates of models with dependent variables of the fact of appeal and the fact of cancellation of the decision were carried out using the maximum likelihood method; namely, the Logit model was used, the basic equation includes a vector of explanatory variables for hypotheses H1-H3 and a vector of control variables (2).

The model, in which the dependent variable is the probability of cancellation of the decision, contains fewer observations since only those judicial decisions that have already been challenged (for which the variable of appeal = 1) are considered in the model estimate.

$$\begin{aligned}
 P(\text{annulled (or)apealed} = 1 | X_i^{(1)}, X_i^{(2)}, X_i^{(3)} Z) &= & (2) \\
 &= F_1(\beta_0 + \beta_i^{(1)} X_i^{(1)} + \beta_i^{(2)} X_i^{(2)} + \beta_i^{(3)} X_i^{(3)} + \beta_i Z_i)
 \end{aligned}$$

where  $P(\text{annulled (or)apealed} = 1 | X, Z)$  – dependent variables – the probability of canceling or challenging the decision of the judge of the first instance

$X_i^{(1)}$  – a vector of explanatory variables characterizing the general professional competence of a judge (for testing H1),

$X_i^{(2)}$  – a vector of explanatory variables characterizing the special professional competence of a judge for H2,

$X_i^{(3)}$  – a variable characterizing the deviation of the time for considering a case from the expected one (for testing H3),

$Z_i$  – a vector of control variables

Let us consider the vector of variables for the hypothesis H3 (3):

$$\beta_i^{(3)} X_i^{(3)} = \beta_{extra\_time} \cdot X_{extra\_time} \quad (3)$$

Here, the level of the judge's efforts ( $X_{extra\_time}$ ) is calculated as the deviation of the actual time for the consideration of the case ( $X_{time}$ ) from the predicted value ( $\hat{X}_{time}$ ) (4). The prediction of the time required for the consideration of the case was carried out by the ordinary least squares method (OLS) (OLS) (5). In the process of empirical analysis, the count Negative Binomial model was also tested, based on a comparison of estimates of models estimated by different methods. Using the Hausman test, the OLS method was selected.

$$X_{extra\_time} = X_{time} - \hat{X}_{time} \quad (4)$$

$$\hat{X}_{time} = \hat{\delta}_0 + \hat{\delta}_i^{(1)} \hat{X}_i^{(1)} + \hat{\delta}_i^{(2)} \hat{X}_i^{(2)} + \hat{\delta}_i \hat{Z}_i \quad (5)$$

Under the hypotheses, H1, H2 and H3, the expected sign of the estimates in front of the key variables  $X_i^{(1)}$ ,  $X_i^{(2)}$  and  $X_i^{(3)}$  is minus, which suggests a positive influence of general and special professional competencies, as well as judicial effort on the quality of decisions made.

The binary dependent value determines the choice of the type of model—the court clusters standard errors. The robustness test is performed by evaluating several model specifications on several subsamples. The empirical analysis considers only robust results across all model specifications.

The information base of the research is a unique database compiled by the author, consisting of two components:

1) information on cases of the type "economic disputes in administrative legal relations," considering which has been completed, concerning litigations on challenging decisions of customs, tax, and antitrust authorities for the period 2008-2019, considered in commercial courts. In total, the collected database contains 303,748 cases (observations), of which most - 43% - are cases on challenging decisions of the Federal Customs Service, 40% on challenging decisions of the Federal Tax Service, 17% on challenging decisions of the Federal Antitrust Service.

2) a database of judges' characteristics, collected by the author based on information from the judges' personal pages on the websites of 84 commercial courts of the Russian Federation's constituent entities. In total, the sample contains information on 3,016 judges.

### **The main results**

1. The critical role of the judicial system in the framework of the Russian model of administrative law enforcement has been substantiated. The research identifies what factors affect the effectiveness of the work of judges when considering cases on challenging administrative decisions: the possibility of attaching additional case materials at any stage of its consideration, meaningful (and not formal) judicial review of decisions of administrative authorities; and lack of specialization of judges.

2. Empirical evidence is revealed that is consistent with the hypothesis that the legal quality of court decisions in administrative cases grows with the growth of a judge's general professional competence, measured by having a scientific degree and departmental awards. At the same time, the influence of the general experience of judges, measured by the general experience or qualification class, on the quality of court decisions is nonlinear. With the growth of the general experience of a judge, the quality of decisions made by him increases, but after a certain point begins to decline. The results of testing hypothesis H1 are summarized in Table 1.

Table 1. The direction of the influence of factors and compliance with the hypothesis / H1 – partially confirmed\*

<b>Factor</b>	<b>Case type</b>	<b>The direction of the influence on decision's quality</b>	<b>Compliance with the hypothesis</b>
Ph.D. in Law degree	<b>Total</b>	+	<b>yes</b>
	<b>Antitrust</b>	+	yes
	<b>Customs</b>	+	yes
	<b>Tax</b>	ambiguous	ambiguous
Professional awards	<b>Total</b>	+	<b>yes</b>
	<b>Antitrust</b>	+	+
	<b>Customs</b>	+	yes
	<b>Tax</b>	+	yes
Qualification class	<b>Total</b>	<b>inverse U-shaped</b>	<b>partially yes</b>
	<b>Antitrust</b>	inverse U-shaped (on the cancellation model)	partially yes
	<b>Customs</b>	inverse U-shaped	partially yes
	<b>Tax</b>	inverse U-shaped (on the cancellation model)	partially yes
“New generation” of judges	<b>Total</b>	–	no
	<b>Antitrust</b>	–	no
	<b>Customs</b>	–	no
	<b>Tax</b>	–	no
Judge experience in years	<b>Total</b>	<b>1) inverse U-shapes on the appeal model 2) inverse U-shaped on the cancellation model</b>	<b>yes</b>
	<b>Antitrust</b>	1) inverse U-shaped on the appeal model 2) inverse U-shaped on the cancellation model	yes
	<b>Customs</b>	1) U-shaped on the appeal model	yes

Factor	Case type	The direction of the influence on decision's quality	Compliance with the hypothesis
		2) Negative on the cancellation model	
	<b>Tax</b>	1) inverse U-shaped on the appeal model 2) Negative on the cancellation model	partially yes

\* Total - model assessment based on data for all types of cases, Antitrust - model assessment on a sample of cases on challenging the decision of the Antitrust Authority, Customs - model assessment on a sample of cases on challenging the decision of the Customs Authority, Tax - model assessment on a sample of cases on challenging the decision of the Tax Authority.

3. The positive influence of the exceptional experience of a judge, measured by the number of cases of a specific type and the presence of economic education, on the quality of court decisions in administrative cases was confirmed. The results of testing hypothesis H2 are summarized in Table 2.

Table 2. The direction of the influence of factors and compliance with the hypothesis / H2 – confirmed\*

Factor	Case type	The direction of the influence on decision's quality	Compliance with the hypothesis
Economic Education	<b>Total</b>	+	<b>yes</b>
	<b>Antitrust</b>	+	yes
	<b>Customs</b>	+	yes
	<b>Tax</b>	+	yes
Experience of judges in commercial court proceedings (number of cases considered) (ln)	<b>Total</b>	+	<b>yes</b>
	<b>Antitrust</b>	+	yes
	<b>Customs</b>	+	yes
	<b>Tax</b>	+	yes



\* Total - model assessment based on data for all types of cases, Antitrust - model assessment on a sample of cases on challenging the decision of the Antitrust Authority, Customs - model assessment on a sample of cases on challenging the decision of the Customs Authority, Tax - model assessment on a sample of cases on challenging the decision of the Tax Authority.

4. The hypothesis that the additional judicial efforts to consider the case positively affect the judgment's quality is rejected. The analysis results do not allow us to conclude the form of the relationship between these variables. That is due to a combination of several oppositely directed effects. Those effects are the judge's productivity, the efforts made by her/him, and the effect of the case's complexity under consideration regarding the number of analyzed materials. Separate analysis results support a U-shaped relationship between these variables, which indicates the dominance of the case complexity effect. The results of testing hypothesis H3 are summarized in Table 3.

Table 3. The direction of the influence of factors and compliance with the hypothesis / H3 – partially confirmed\*

<b>Factor</b>	<b>Case type</b>	<b>The direction of the influence on decision's quality</b>	<b>Compliance with the hypothesis</b>
Additional time spent by the judge	<b>Total</b>	<b>inverse U-shaped</b>	<b>yes</b>
	<b>Antitrust</b>	inverse U-shaped	yes
	<b>Customs</b>	1) inverse U-shaped on the appeal model 2) U-shaped on the cancellation model	ambiguous
	<b>Tax</b>	1) Negative on the appeal model 2) inverse U-shaped on the cancellation model	ambiguous

\* Total - model assessment based on data for all types of cases, Antitrust - model assessment on a sample of cases on challenging the decision of the Antitrust Authority, Customs - model assessment on a sample of cases on challenging the decision of the Customs Authority, Tax - model assessment on a sample of cases on challenging the decision of the Tax Authority.

5. Several effects that affect the selected indicators of the performance of judges but are not related to their performance have been identified:

- a. Some evidence was revealed that the size of the accused economic entity affects the quality of the court decision. If the party involved in the case is a large company (included in the top 600 companies in Russia), the likelihood of a review of the decision made in the first court instance is lower. This result may be due to a better set of case evidence provided to the trial court.
- b. The likelihood of revision of court decisions of the first instance increases with the increase in the number of instances. This effect is most likely due to the addition of new evidence to the case file, i.e., that the base for the final court decision is a different set of evidence than the decision taken in the first instance. The fact of the revision of the court decision, in this case, is not evidence of the low quality of the judge's work.
  - The analysis confirmed a "learning effect" of the parties to litigation - plaintiffs and defendants, which positively affects the quality of court decisions: greater experience of participation in litigation of disputes between plaintiffs and defendants reduces the likelihood of the judge's decision of the first instance being reversed, which is more likely explained by better case materials at the early stages of consideration.

It is important to note that the results obtained differ depending on the type of cases in many cases. In other words, several effects are explained not so much by the strategies of the judges' behavior as by the belonging of the considered court case to a specific type.

### **Policy recommendations**

Empirical analysis shows that the Russian judicial system for resolving disputes related to administrative bodies' decisions is effective. Therefore, the results obtained in the work do not give grounds for the conclusion about the need to change the legislation on judicial review of administrative decisions. In particular, it is demonstrated that:

- The validity of the existing system of influence of the system of remuneration of judges, taking into account their professional characteristics (additional payments associated with the availability of a Ph.D. degree and departmental awards), on their performance is confirmed;
- The nonlinear relationship between the time spent by the judge on the consideration of the case materials and the quality of his decision favors the absence of grounds for revising the rule on the maximum time for consideration of the case materials. On the one hand, it motivates the dispute parties to provide new evidence in a limited time. On the other hand, it also motivates the judges to promptly consider the provided case materials without leading to an unambiguous decrease in the quality of the court decisions.

At the same time, when assessing the performance of judges, it should be borne in mind that the likelihood of challenging and revising a judge's decision in some cases depends on factors that do not depend on the judge's performance: different incentives of the parties in whose favor the decision of the first instance court was made (administrative authorities challenge decisions more often than business entities), large companies are more likely to seek a final review of the decision of the first instance court in their favor, a higher probability of final cancellation characterizes complex cases.

The results obtained in the work are an argument in favor of increasing the level of specialization of judges and/or creating a system of specialized courts is the confirmation of the positive impact of special competencies of judges and economic competencies on the quality of their decisions.

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