The Law and Economics of Lawyers
Evidence from the Revolving Door in China's Judicial System

Zhuang Liu[a]   Wenwei Peng[b]   Shaoda Wang[c]   Daniel Yi Xu[d]

[a]University of Hong Kong

[b]Harvard University

[c]University of Chicago & NBER

[d]Duke University & NBER

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Motivation

- A just legal system is critical for economic prosperity (Smith, 1776; Hayek, 1960; Buchanan, 1974; North, 1986)

  - Various pieces of the judicial system have been studied extensively: impacts of specific legal codes, judge behavior, court structure, etc.

  - Surprisingly little is known about the roles of **lawyers** in shaping judicial and economic outcomes, despite their perceived importance

- Do lawyers matter for their clients? If so, how?

  - *"A good lawyer knows the law; a clever one takes the judge to lunch."* – Mark Twain

- Societal impacts of lawyers (Dewatripont and Tirole, 1999)?

  - Positive externality: present facts and legal reasoning more clearly, helping judge make more informed decisions

  - Negative externality: use personal connections or strategic presentation of facts/reasoning to help their clients win

This Paper

- We study the law&econ of lawyers using a unique setting: the revolving door between judges and lawyers in China's judicial system

- We compile and link novel datasets covering the universes of judges, lawyers, law firms, litigants, and lawsuits in China from 2014 to 2021

  - Over 14,000 judges who left their positions to practice in private law firms (6.6% of all judges and 2.6% of all lawyers)

  - For every RD lawyer, we observe his: performance as judge, personal network, career trajectory, performance as lawyer (at home vs. away courts), spillovers, outcomes for employers/clients, etc.

- Leveraging such data infrastructure, we investigate the roles of lawyers in shaping judicial and economic outcomes

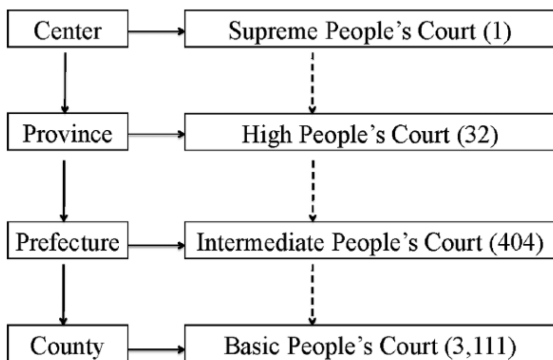 - Also a rare opportunity to shed light on the operation of modern service industries

Preview of Main Findings

- RD lawyers deliver more favorable rulings in identical cases:

  1. Loan/sales contract disputes: win rate ↑ 11% - 15%

  2. Other cases: consistent suggestive evidence

- Both "know how" and "know who" are important in lawyer VA

  - Within-lawyer variation in performances at home vs. away courts

  - Ability indicators are strong predictors of performances

- Efficiency-equity tradeoff of high-powered lawyers:

  1. RD lawyers serve the court: info quality ↑, ruling dispersion ↓

  2. RD lawyers serve their rich clients: info bias ↑, inequality ↑

Roadmap

China's Judicial System

Center	→	Supreme People's Court (1)
Province	→	High People's Court (32)
Prefecture	→	Intermediate People's Court (404)
County	→	Basic People's Court (3,111)

- Commercial lawsuits are tried in the defendant's jurisdiction by default, while criminal cases are tried in the court located where the crime occurred

- First hearings mostly happen at the county/district basic court level, with exceptions of some large cases first heard by the prefectural intermediate courts

- After first instance, one appeal can be made to the court one level above

- Civil law tradition, no jury or legally-binding precedents, so judges very powerful

Judges in China

- Steps to become a career judge in China today:
  1. Obtain law degree in early 20s and pass the civil service exam
  2. Work in a court as a clerk for 3 - 5 years
  3. Pass the national judicial exam and judge quota exam
  4. Become a judge in late 20s or early 30s
- Young judges well-educated, powerful, but poorly compensated:

Salary sheet of an intermediate court (July, 2013)

Lawyers in China

- Steps to become a lawyer:
    1. Pass the national judicial exam
    2. Intern at a law firm for 1-3 years
    3. Pass the interview and training examination run by lawyer association
    4. Approval from the provincial judicial department

- Much higher base salary than judges:
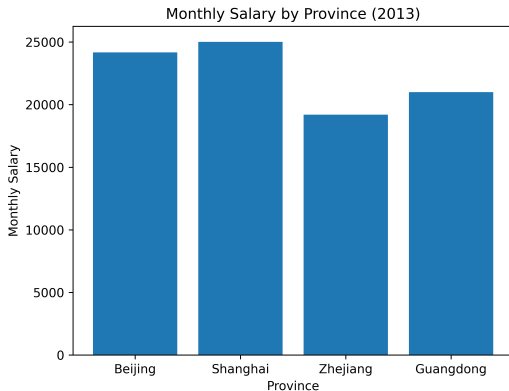
Revolving Door and Regulations

- Given the considerable salary gap, an increasing number of judges resigned to practice as attorneys in recent years, creating a "revolving door" problem:
  - Many resigning judges are considered key personnel by the courts
  - Former judges are highly sought-after by private law firms, many get offered partnerships
  - Rich anecdotal discussions on the playing field being tilted
  - Judge quota reform since 2016 forced another batch of judges to quit

- Regulations have been in place since 2001, but the enforcement has been lax
  1. Two-year Bar: ban judges from being defense lawyers within **two years** after leaving their positions
  2. Home Court Prohibition: ban judges from being defense lawyers in cases handled by the **court where they worked**
  3. Establishment of monitoring and investigation mechanisms in 2021

Regulation Details

Data

- Universe of court verdicts in China between 2014 and 2022
  - 144 million records from China Judgment Online, run by the SPC
  - 11 million criminal decisions and 86 million civil decisions
    - For criminal cases, we extract the defendant's age, gender, education, ethnicity, crime types (485), confession, surrender, victim's forgiveness, crime history, crime details, etc.
    - For civil cases: plaintiff's/defendant's name, disputes, court fee divisions, case characteristics by dispute types, etc.
    - Common variables: court name, judges, lawyers, lawyers' affiliated firms, court decisions/rulings, etc.

- Universes of judges, lawyers, law firms, and litigants
  - 217,192 judges: cases they ruled, career paths `Trend & Map`
  - 542,269 lawyers: cases/clients represented, affiliated firms `Trend & Map`
  - 36,593 law firms: lawyers, cases, clients, and earnings `Trend & Map`
  - 5 million firm litigants (law firms' clients)

Identifying Revolving Door Lawyers

- Identify judges that stop ruling cases during the study period, and use their names to match them to lawyers that first started practicing shortly afterwards
  - Exclude the most commonly used Chinese names (frequency $\geq 0.1\%$)
  - Results robust to using different time windows between "judge disappearance" and "lawyer appearance"

- Verify the identification of revolving door judges using resumes collected from various sources:
  - Baidu Baike
  - Law firms' official websites
  - Legal associations' websites/forums

Revolving Door Lawyer - Example

(a) The Last Case Ruled

(b) The First Case Represented

- Panel (a) shows the last case Fu Qinbin ruled as a judge in 2016
- Panel (b) presents the first case Fu Qinbin shows up as an attorney in 2018, which is two years after he quit the judge position

Revolving Door Lawyer - Example

(a) CV on Baidu Baike

(b) Biography on Law Firm's Website

We can verify that Fu Qinbin indeed quit his judge position and became a lawyer as revealed in Baidu Baike and his law firm's website.

Revolving Door Lawyers
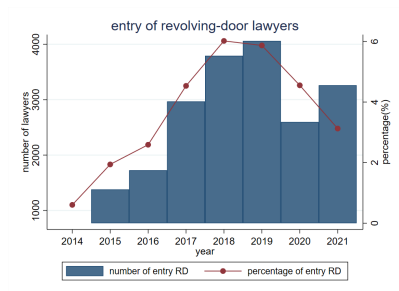
(a) Time Trend
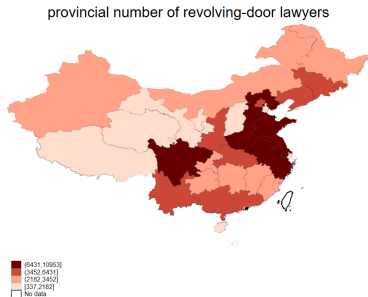
(b) Spatial Distribution

- Panel (a) demonstrates the yearly increases of revolving door lawyers since 2014
- Panel (b) demonstrates the spatial distribution of revolving door lawyers nationwide

Who Become Revolving Door Lawyers?
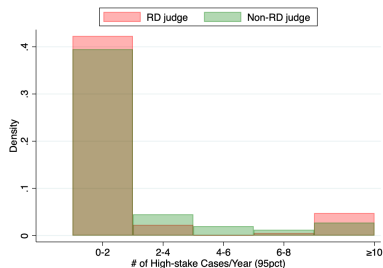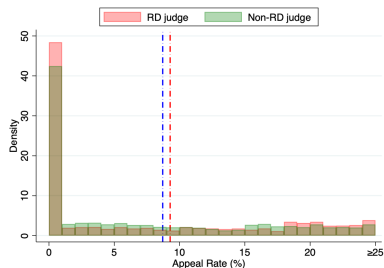
(a) # of 95pct cases/Yr   (b) Appeal Rate

- Two proxies for judge quality:
  - Panel (a): experiences with high-stakes cases
  - Panel (b): appeal rate

- Bi-modal pattern in selection into revolving door:
  - High ability types quit due to better outside option
  - Low ability types were pushed out after the judge quota reform

Roadmap

Empirical Analysis

- We match **identical cases** to each other
- Within each identical case group, we compare the court decisions with and without RD lawyers:

$$Y_{ijgtc} = \beta RevolvingDoor_{ij} + \omega_g + \gamma_c + \sigma_t + \epsilon_{ijgtc}$$

- Y_{ijgtc}: court decision for litigant i, in lawsuit j that belongs to case group g, tried in court c, in year t
- $RevolvingDoor_{ij}$ equals 1 if the litigant i is represented by RD lawyer in case j, and 0 otherwise
- ω_g is case group FE, λ_j is court FE, σ_t is year FE
- SE two-way clustered at the court and case group levels

Identify Comparable Civil Cases

1. We focus on the most well-defined commercial case types, and extract quantitative case characteristics

   - In **loan contract disputes**, we extract the monetary size of the loan, interest rates, continuation rate, duration of repayment, overdue charge rate, etc.
   - In **sales contract disputes**, we extract the monetary size of the contract, contractual penalty, loan/interest rates if any, etc.

2. To further ensure the similarity of matched cases, we follow the approach developed by Xiao et al. (2021), and fine-tune a pre-trained language model to construct similarity scores

   - Our model outperforms previous models based on BERT, RoBERTa and L-RoBERTa (Cui et al., 2019; Devlin et al., 2019; Liu et al., 2019)
   - Focus on two sections: (a) claims raised by the plaintiff; (b) facts/evidence verified by the court

Comparable Civil Cases - Example

Case A	Case B
原告芜湖国元小额货款有限责任公司向本院提出诉讼请求:	原告重庆市惠信小额贷款有限责任公司向本院提出诉讼请求:
1、被告郭发菊、季晓春共同偿还借款本金948536.28元、利息36537.57元、罚息3401.14元、复息1065.85元,合计989540.84元(截至2016年5月23日)	1、被告伍伟、周银梅归还借款本金935348.25元、利息36029.57元、罚息335 3.85元、复息1051.03元,合计975782.71元(截止2016年4月12日的借款);
2、被告郭发菊、季晓春共同支付自2016年5月24日起至实际付清之日止、以借款本金为基数按所执行的贷款利率上浮50%计收罚息,以及对未支付的利息按在所执行的贷款利率上浮50%计收复息;	2、被告伍伟、周银梅支付自2016年4月13日起至贷款本息结清之日止罚息和复利,其中罚息以贷款本金为基数以935348.25元为基数,在所执行的贷款利率上浮50%计收、复利以36029.57元基数,在所执行的贷款利率上浮50%计收;
3、本案律师费25600元、诉讼费、公告费、保全费及实现债权的其他费用全部由被告郭发菊、季晓春承担;	3、本案律师费25600元、诉讼费、公告费、保全费及实现债权的其他费用全部由被告伍伟、周银梅承担;
4、被告郭发菊、季晓春、君泰公司不清偿上述债务时,原告对登记的抵押物芜湖市江全广场房屋折价或拍卖、变卖所得价款享有优先受偿权;	4、被告伍伟、周银梅、新跨越公司不清偿上述债务时,原告对被告伍伟提供抵押物重庆市巴南区龙洲大道16号签订的商品房折价或拍卖、变卖的价款享有优先受偿;
5、被告君泰公司对上述1、2、3项债务承担连带清偿责任。	5、被告新跨越公司对上述第1、2、3项债务承担连带保证责任。
事实和理由:被告郭发菊、季晓春系夫妻关系。2010年9月20日,原告与被告郭发菊、季晓春、君泰公司签订借款合同约定、约定郭发菊向原告借款159万元,贷款期限为360个月,贷款利率在人民银行同期贷款利率水平上上浮10%,罚息和复息利率为合同执行利率水平上加收50%,还款方式为等额本息还款;借款人连续三个月或累计六个月未能按时足额还款的、原告有权宣布贷款立即到期,并要求借款人立即清偿借款本息及相关费用、由此产生的律师费等由借款人承担;根据原被告签订的商品房抵押贷款合同,郭发菊、季晓春与以上述房屋为借款提供抵押担保,并于2010年9月29日办理了抵押权预告登记。	事实和理由:被告伍伟与周银梅系夫妻关系。2011年2月9日,原告与被告伍伟、周银梅、新跨越公司签订借款合同约定,原告向被告伍伟发放贷款150万元,贷款期限为360个月,贷款利率在人民银行同期贷款利率水平上上浮10%,罚息和复息利率为合同执行利率水平上加收50%,还款方式为等额本息还款;借款人连续三个月或累计六个月未能按时足额还款的、原告有权宣布贷款立即到期,并要求借款人立即清偿借款本息及相关费用、由此产生的律师费等由借款人承担;同时,双方还就被告伍伟所有的位于重庆市巴南区龙洲大道16号签订了商品房抵押贷款合同,并办理了抵押权预告登记。
君泰公司同时就借款提供连带责任保证、并约定放弃要求贷款人首先向借款人先行追索、对抵押物先行处置的权利。	被告新跨越公司对以上债务提供连带责任保证。并约定放弃要求贷款人首先向借款人先行追索、对抵押物先行处置的权利。
2010年9月25日,原告向被告发放了贷款159万元,自2015年9月起,被告未能按时归还借款本息。	之后,原告于2011年2月9日向被告发放贷款150万元,但被告未按约履行还款义务(未能按时归还借款本息)。

- Similar loan contractual details
  - loan amount, loan term, interest rate, penalty/compound interest rates, repayment method, collateral, joint liability guarantee, etc.
- Similar violations: failed to make timely repayments
- Similar claims by plaintiffs
  - outstanding loan amount, interest, penalty interest, compound interest, and associated legal costs, etc.

Revolving Door Lawyer and Rulings: Civil Cases

	(1)	(2)	(3)	(4)
	Defendant's Win Rate		Plaintiff's Win Rate	
	Loan Contract	Sales Contract	Loan Contract	Sales Contract
Revolving Door Lawyer	0.020***	0.066***	0.091***	0.062***
	(0.007)	(0.018)	(0.024)	(0.021)
% in mean	11%	15%	11%	11%
Obs.	334,491	173,209	763,627	330,128
R-squared	0.349	0.319	0.402	0.358
Case Group (Top 100)	Y	Y	Y	Y
Year FE	Y	Y	Y	Y
Court FE	Y	Y	Y	Y

Focusing on loan contract disputes (25%) and sale contract disputes (20%):

- Defendants/plaintiffs represented by RD lawyers enjoy 11% - 15% higher win rate

Criminal cases   Additional impacts on law firms

Client Selection into Hiring RD Lawyers?

	(1)	(2)	(3)	(4)
	Defendant's Win Rate		Plaintiff's Win Rate	
	Loan Contract	Sales Contract	Loan Contract	Sales Contract
Revolving Door Lawyer	0.023***	0.059***	0.084***	0.057***
	(0.009)	(0.021)	(0.031)	(0.021)
% in mean	12%	13%	9%	9%
Obs.	31,041	18,237	35,292	18,414
R-squared	0.309	0.314	0.323	0.311
Case Group FE	Y	Y	Y	Y
Year FE	Y	Y	Y	Y
Court-Litigant FE	Y	Y	Y	Y

- Potential endogeneity concern: clients who can afford RD lawyers also use their own connections to swing judicial outcomes

- We show that the premium of RD lawyers remains even within the same court-litigant pair

Roadmap

Importance of "Know How"

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Panel A: "know how"– cases in away courts								
		Defendant's Win Rate				Plaintiff's Win Rate		
	Loan Contract		Sales Contract		Loan Contract		Sales Contract	
RD Lawyer	0.015***	0.014***	0.049***	0.051***	0.068***	0.062***	0.048***	0.047***
	(0.003)	(0.004)	(0.015)	(0.016)	(0.017)	(0.018)	(0.018)	(0.017)
RD × Diff. Prov.		0.003		0.004		-0.005		-0.003
		(0.007)		(0.016)		(0.020)		(0.021)
RD × Diff. Regions		0.005		-0.007		0.003		-0.001
		(0.005)		(0.016)		(0.016)		(0.017)
Obs.	231,913	231,913	113,101	113,101	572,095	572,095	281,146	281,146
R-squared	0.219	0.231	0.254	0.228	0.242	0.257	0.303	0.317
Case Group FE	Y	Y	Y	Y	Y	Y	Y	Y
Case Characteristics	Y	Y	Y	Y	Y	Y	Y	Y
Year FE	Y	Y	Y	Y	Y	Y	Y	Y
Court FE	Y	Y	Y	Y	Y	Y	Y	Y

- RD lawyers' performances excel even in away courts, effect does not diminish with geographic distance

    - Inconsistent with lawyer value added only driven by connections

- Results consistent with "know how" contributing to lawyer value added

Criminal Cases

Importance of "Know How"

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Panel B: "know how"– capability indicators								
	Defendant's Win Rate				Plaintiff's Win Rate			
	Loan Contract		Sales Contract		Loan Contract		Sales Contract	
RD Lawyer	0.015***	0.016***	0.046***	0.050***	0.079***	0.081***	0.051***	0.047***
	(0.005)	(0.004)	(0.017)	(0.017)	(0.014)	(0.017)	(0.016)	(0.014)
RD × Grad. Degree	0.010**		0.029**		0.037**		0.031**	
	(0.005)		(0.014)		(0.014)		(0.015)	
RD × Same domain		0.011**		0.024*		0.034**		0.028**
		(0.005)		(0.014)		(0.016)		(0.013)
Obs.	280,564	269,725	122,464	131,418	724,105	704,384	304,913	297,156
R-squared	0.262	0.247	0.241	0.248	0.301	0.329	0.284	0.307
Case Group FE	Y	Y	Y	Y	Y	Y	Y	Y
Case Characteristics	Y	Y	Y	Y	Y	Y	Y	Y
Year FE	Y	Y	Y	Y	Y	Y	Y	Y
Court FE	Y	Y	Y	Y	Y	Y	Y	Y

- RD lawyers' advantages are more pronounced if:
  - he holds graduate degrees in law
  - he specializes in the same domain as judge and as lawyer

Importance of "Know Who"

	(1)	(3)	(5)	(7)
	Defendant's Win Rate		Plaintiff's Win Rate	
	Loan Contract	Sales Contract	Loan Contract	Sales Contract
Home Prefecture	0.007**	0.026*	0.030**	0.026**
	(0.003)	(0.015)	(0.014)	(0.013)
Obs.	64,625	56,620	78,342	72,431
R-squared	0.155	0.181	0.171	0.153
Court FE	Y	Y	Y	Y
Year FE	Y	Y	Y	Y
Case Group	Y	Y	Y	Y
Case characteristics	Y	Y	Y	Y
Lawyer FE	Y	Y	Y	Y

Exploiting within-RD-lawyer performances at home vs. away courts:

- holding "know-how" constant and varying the level of "know who"
- same RD lawyer is 32-39% more effective in his home jurisdiction

Criminal Cases

Mechanisms for "Know Who"

	(1)	(2)	(3)	(4)
	Defendant's Win Rate		Plaintiff's Win Rate	
	Loan Contract	Sales Contract	Loan Contract	Sales Contract
Panel A: "know who"– Cases Handled by New Judges in Home Prefecture				
Home Pref. × New Judges	0.003	-0.011	-0.011	-0.015
	(0.010)	(0.014)	(0.024)	(0.017)
Panel B: "know who"– Cases in the Home Province but not in the Home Prefecture.				
Same Prov. × Diff. Pref.	0.007	-0.020	0.010	-0.016
	(0.014)	(0.025)	(0.016)	(0.021)
Court FE	Y	Y	Y	Y
Year FE	Y	Y	Y	Y
Case Group	Y	Y	Y	Y
Lawyer FE	Y	Y	Y	Y

Revolving Door Lawyer's "know who" advantages disappear in:

1. Cases handled by newly joined judges (vs. Old Judges in home prefecture)

2. Courts in other prefectures of home provinces (vs. Non-Home Prov. Cases)

Criminal Cases Heterogeneity by Judge Ability

Roadmap

The Roles of High-Powered Lawyers

Following Dewatripont and Tirole (1999), a good lawyer can generate:

1. Positive externality: present the facts and legal reasoning more clearly, helping the judge make higher quality decisions ($\rightarrow$ lower ruling dispersion)

2. Negative externality: use connections, or strategically present facts and reasoning to help his client win more ($\rightarrow$ higher ruling dispersion)

Empirically, we compare ruling dispersion in:

1. RD lawyer vs. RD lawyer cases

2. Non-RD lawyer vs. non-RD lawyer cases

3. RD lawyer vs. non-RD lawyer cases

Ruling Dispersion

Ruling Outcome Standard Deviations
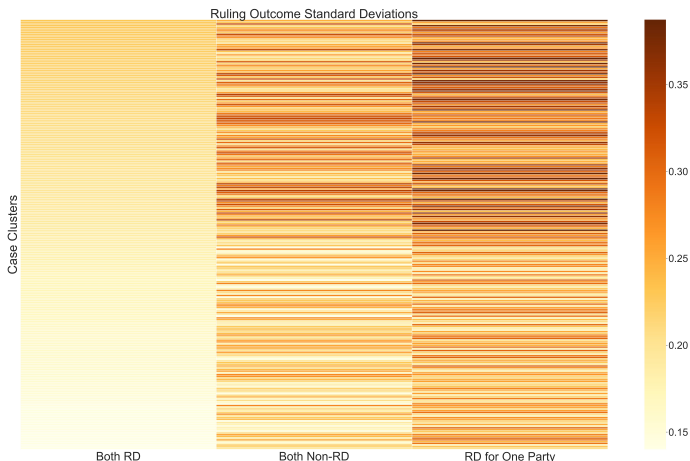
- Ruling dispersion: RD vs. RD $<$ non-RD vs. non-RD $<$ RD vs. non-RD
- RD vs. RD $<$ non-RD: positive externality of good lawyers
- non-RD vs. non-RD $<$ RD vs. non-RD : negative externality of good lawyers

Revolving Door Lawyer and Their Clients - Sorting

- RD lawyers benefit their clients in zero-sum games

- Who are their clients?

- Socioeconomic status measures for litigants:

  1. Criminal defendants: occupation (categories) and education

     - High SES: manager, director, principal, chairman, civil servant, businessperson, engineer, technician, CCP member, etc.
     - Low SES: peasant, unemployment/laid-off, ordinary worker, plumber, migrant worker, street vendor, etc.

  2. Firm litigants in civil lawsuits: registered capital (match with firm registration data from Tianyancha)

     - Big firm: firm with registered capital greater than the mean

Revolving Door Lawyer and Their Clients - Sorting

	Revolving Door Lawyer as Atattorney (=1)	
	(1)	(2)
	Criminal Cases	Civil Cases
High SES	0.044***	
	(0.000)	
Junior college and above	0.017***	
	(0.000)	
Big Firm		0.023***
		(0.000)
Outcome Mean	0.021	0.016
Obs.	3,954,924	6,304,636
R-squared	0.073	0.508
Court FE	Y	Y
Year FE	Y	Y
Case Type FE	Y	Y
Case characteristics	Y	Y
Defendant characteristics	Y	Y
Case Group FE (Similarity)	Y	Y

- Rich litigants and large firms much more likely to hire RD lawyers
- Likely exacerbates existing socio-economic inequalities

Roadmap

Conclusion

- Revolving door lawyers enjoy advantages in securing favorable rulings for their clients

    - Otherwise identical contract disputes: win rate $\uparrow$ 11% - 15%

    - Suggestive evidence of more favorable rulings in criminal cases

- Both "know how" and "know who" are important contributors to lawyer value-added

    - Higher-ability RD lawyers perform better even in away courts $\rightarrow$ "know how" matters

    - Within-lawyer variation in performances at home vs. away courts $\rightarrow$ "know who" matters

- High-powered lawyers improve information quality, but also exacerbate judicial and economic inequalities

Thank You!

Criminal Case - Example

广西壮族自治区合浦县人民法院
刑事判决书

（2018）桂0521刑初277号

公诉机关广西壮族自治区合浦县人民检察院。

被告人朱有传 [男] 1984年7月12日出生于广西合浦县，汉族，初中文化，无业，住广西合浦县。因吸毒于2018年1月17日被北海市公安局海分局处以行政拘留12日；于2018年1月29日被北海市公安局银海分局决定强制隔离戒毒二年。因涉嫌贩卖毒品罪于2018年3月7日被北海市公安局银海分局刑事拘留，同年3月19日被逮捕。现羁押于北海市第二看守所。

Part 1: Personal Background

Name — Gender — Birth date/location — Education — Ethnicity

❶ Personal Background
❷ Crime Details
❸ Case resolution

Part 2: Crime Detail

合浦县人民检察院以合检公刑诉 [2018] 236号起诉书指控被告人朱有传犯贩卖毒品罪，于2018年5月24日向本院提起公诉。本院依法适用简易程序，实行独任审判，公开开庭审理了本案。合浦县人民检察院指派检察员庞滨出庭支持公诉，被告人朱有传到庭参加诉讼。现已审理终结。

经审理查明：2018年1月16日14时左右，购毒人陈某电话联系绰号叫"二哥"的人要购买200元毒品海洛因，并约定在合浦县人民医院门口交易。"二哥"说其叫一名绰号"二十六"的人拿毒品海洛因到约定地点。当日14时30分左右，被告人朱有传绰号"二十六"持毒品海洛因到合浦县人民医院门口，并打电话给陈某，约定在广西合浦县廉州镇定海路与步行街交汇处进行毒品交易。当被告人朱有传和陈某在上述地点交易完成后，被告人朱有传绰号"二十六"与另外一人被北海市公安局银海分局禁毒大队民警现场抓获，当场从朱某身上缴获被告人朱有传吸毒前的疑似毒品海洛因2小包，经称重，净重0.51克，并从被告人朱有传身上搜获现金人民币200元和6小包疑似毒品海洛因，经称重，净重0.38克，0.42克，0.08克，作案手机一台。经鉴定，缴获的疑似毒品检出海洛因。

Crime time — Detail

Part 3: Case Resolution

上述事实，被告人朱有传在开庭审理过程中也无异议，并有户籍证明，归案证明，通话记录，提取笔录，扣押物品清单，称量笔录，证人陈某的证言，被告人朱有传的供述，理化检验报告及鉴定意见通知书，现场勘验笔录及照片，辨认笔录等证据证实。足以认定。

本院认为，被告人朱有传违反国家对毒品的管理规定，非法向他人销售毒品海洛因，其行为构成贩卖毒品罪。公诉机关指控被告人朱有传犯贩卖毒品罪事实成立。在共同贩卖毒品犯罪中，被告人朱有传起主要作用，是主犯，依法应按其所参与的全部犯罪处罚。被告人朱有传归案后如实供述自己的犯罪事实，依法可以从轻处罚。赃款赃物使用的手机依法应予以没收。根据被告人朱有传犯罪的事实、性质、情节和对于社会的危害程度，依照《中华人民共和国刑法》第三百四十七条第四款、第二十五条第一款、第二十六条第一款和第四款、第五十二条、第五十三条、第六十七条第三款、第六十四条之规定，判决如下：

一、被告人朱有传犯贩卖毒品罪，判处有期徒刑十个月，并处罚金人民币2000元，（刑期从判决执行之日起计算。判决执行以前先行羁押的，羁押一日折抵刑期一日，即自2018年3月7日起至2019年1月6日止；罚金限于本判决发生法律效力之日起十日内缴纳，逾期则强制缴纳。）

二、随案移送的手机一台，予以没收，上缴国库。

如不服本判决，可在接到判决书的第二日起十日内，通过本院或者直接向广西壮族自治区北海市中级人民法院提出上诉。书面上诉的，应提交上诉状正本一份，副本二份。

confession — Crime — Penalty — Fine — Judge — date

审判员 刘作琦
二〇一八年六月六日
法官助理 陈海娟
书记员 黄春添

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Comparable Civil Cases – Example

Case A	Case B	Similarity
原告晟邦公司向本院提出**诉讼请求**：**判令被告向原告支付混凝土款2452608.88元**，并承担以2452608.88元为基数，自**2019年2月1日起至实际给付之日止，按月利率1%支付利息；诉讼费、保全费、保险费等费用由被告承担。事实与理由**：2015年5月25日被告欧凯龙公司邹城分公司与原告晟邦公司**签订《预拌混凝土供需合同》**，约定由原告向邹城市红星美凯龙工程供应混凝土，并对混凝土规格、单价、货款支付方式等进行了明确约定。合同签订后，原告依约向安庆建筑公司供应混凝土，履行了全部合同义务，但被告未支付足额货款，已构成违约，经原告多次催要未果，给原告造成重大经济损失，为维护原告合法权益，特提起诉讼。	原告磊天公司向本院提出**诉讼请求**：**1.判令被告立即支付原告混凝土款1274465.7元及违约金175909.86元（暂计算至2018年4月16日，并支付自2018年4月17日起按同期银行贷款利率的四倍即607.55元/日计算至款清之日止）**；2.**本案诉讼及保全费险费由被告承担。事实和理由**：2016年11月，磊天公司与安庆建筑**公司签订《商品混凝土购销合同》**，双方对混凝土规格、单价、货款支付方式等均做出明确约定。合同签订后，磊天公司依约向安庆建筑公司供应混凝土，但安庆建筑公司未支付足额货款。经磊天公司多次催要未果，为维护自身合法权益，原告诉至本院，要求判如所请。	**0.983703732**
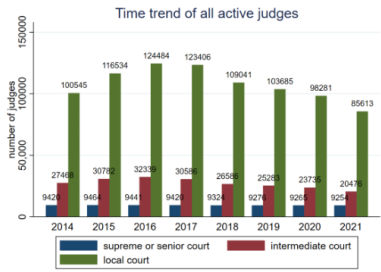
Judges

(a) Time Trend
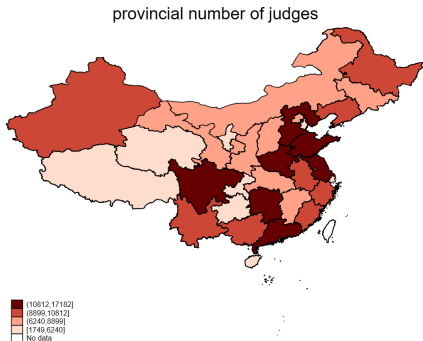
(b) Spatial Distribution

Lawyers

(a) Time Trend

(b) Spatial Distribution

Law Firms
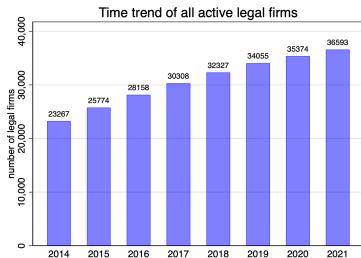
(a) Time Trend

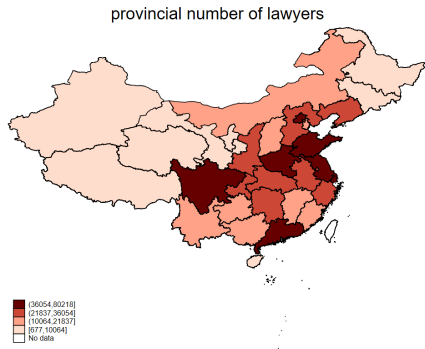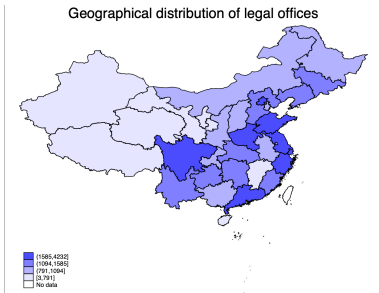(b) Spatial Distribution

Regulation Rules

- In 2001, the SPC issued "Several Provisions on Strict Implementation of the Recusal System by Judges", the notice ban judges from being defense lawyers within **two years** after leaving their positions.

- In 2017, the SPC prohibited judges from being employed by law firms within **three years** after resigning, while for other judicial personnel, the bar is **two years**.

- Home Court Prohibition:
  - In 2017, the SPC prohibited judges from being defense lawyers for cases handled by the **court where they worked for life** after resigning.

- However, the effectiveness of enforcing these regulations is questionable.

- In response to the lax enforcement, in 2021, the SPC, the Supreme People's Procuratorate, and the Ministry of Justice jointly call for the establishment of monitoring and investigation mechanisms.

Quantitative Factors in Criminal Cases

We match on all relevant sentencing factors outlined by China's criminal law (and control for more):

1. **Defendant Characteristics**
   - Background: age, gender, ethnicity, education, occupation, crime history, principal offender/accomplice, etc.
   - Attitude: confession, voluntary guilty plea, surrender, behavior during detention, etc.

2. **Case Characteristics**
   - Crime types (485), crime severity levels, aborted crime, negligent crime, crime against vulnerable individuals, forgiveness from victims, etc.

3. **Crime-specific Factors**
   - Drug crime: types of drugs and the corresponding weights, violent resistance, etc.
   - Violence crime: # of victims, injury grades, cruelty levels
   - Theft: monetary size, residential burglary, multiple thefts, theft with carrying a weapon

Matching Details

Criminal Case - Example

Part 1: Personal Background

广西壮族自治区合浦县人民法院
刑事判决书

（2018）桂0521刑初277号

公诉机关广西壮族自治区合浦县人民检察院。

被告人朱有传 男 1984年7月12日出生于广西合浦县，汉族，初中文化，无业，住广西合浦县。因犯毒于2018年1月17日被北海市公安局银海分局处以行政拘留12日；于2018年1月29日被北海市公安局银海分局决定强制隔离戒毒二年。因涉嫌贩卖毒品罪于2018年3月7日被北海市公安局刑事拘留，同年3月19日被逮捕。现羁押于北海市第二看守所。

Name — Birth date/location — Education
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Crime time — Detail

Part 3: Case Resolution

上述事实，被告人朱有传在开庭审理过程中也无异议，并有户籍证明、归案证明、通讯记录、提取笔录，扣押物品清单，称量笔录，证人陈某的证言，被告人朱有传的供述，理化检验报告书及鉴定意见通知书、现场勘验笔录及照片、辨认笔录等证据证实。足以认定。

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二、随案移送的手机一部，予以没收，上缴国库。

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Crime — Penalty — Fine

Judge

审判员　刘伟琼

date 二〇一八年六月六日

法官助理　陈海娟
书记员　黄春添

① Personal Background
② Crime Details
③ Case resolution

Revolving Door Lawyer and Sentencing: Criminal Cases

	Imprisonment (Months)		Life Imprisonment ($\times$ 1000)		Death Penalty ($\times$ 1000)	
	(1)	(2)	(3)	(4)	(5)	(6)
Revolving Door Lawyer	-2.129***	-1.913***	-4.128***	-3.618***	-2.087***	-1.975***
	(0.319)	(0.241)	(0.923)	(0.618)	(0.408)	(0.326)
% in mean	6.9%	6.2%	11.2%	9.6%	15.0%	14.2%
Obs.	2,726,867	2,434,231	382,074	351,508	185,603	172,730
R-squared	0.314	0.488	0.419	0.518	0.273	0.490
Court FE	Y	Y	Y	Y	Y	Y
Year FE	Y	Y	Y	Y	Y	Y
Case Group (Top 10)	Y	Y	Y	Y	Y	Y
Defendant characteristics	N	Y	N	Y	N	Y

Conditional on observables, defendants represented by rd lawyers on average:

1. 6% shorter imprisonment sentences

2. 10% less likely to be sentenced to life imprisonment

3. 14% less likely to be sentenced to death

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Criminal Case Matching - Example

We explain how we match comparable criminal cases:

1. We start case matching **within each crime type**. (485 categories based on the criminal law in China)

2. Within a given crime type, we require **exact matches for dummy indicators**

   - Attempted crime, discontinued crime, recidivism, deaf, dumb, blind, criminal negligence, mentally ill, voluntary surrender, voluntary confess, confess attitude, regretfulness, return illegal gains, forgiveness from victims, behavior in custody, criminal settlement agreement, crime in dark hour, subjective malignancy, evil motivation, motivation with reasons, cruelty, public location, serious consequence, social influence, etc.

3. For other continuous factors: such as the weight of heroin, the monetary value of stolen items, and so on, we require that the matches fall **within a 2 percentile range**.

Balance Test   back

Criminal Case Matching - Balance Test

	Herion (g)	Marijuana	Ketamine	Cannabis Leaves	Cannabis Oil		$ Value	# of Victims
RD Lawyer	0.095	0.136	0.234	0.215	0.092		0.118	0.025
	(0.141)	(0.181)	(0.197)	(0.207)	(0.153)		(0.328)	(0.127)
Obs.	141,278	181,462	41,235	101,251	80,721		251,508	122,730
R-squared	0.262	0.215	0.194	0.240	0.172		0.218	0.290
Crime Type			Drug				Theft	Violence
Court FE	Y	Y	Y	Y	Y		Y	Y
Year FE	Y	Y	Y	Y	Y		Y	Y
Case Group	Y	Y	Y	Y	Y		Y	Y

1. Drug Crime: Herion, Marijuana, Ketamine, Cannabis Leaves, Cannabis Oil, etc.

2. Theft: Monetary size of stolen items

3. Violence crime: # of victims

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Importance of "Know How" – Criminal Cases

	(1)	(2)	(3)	(4)	(5)	(6)
"know how" – cases in away courts						
	Imprisonment		Life Imprisonment		Death Penalty	
RD Lawyer	-1.839***	-1.910***	-3.413***	-3.217***	-1.984***	-2.051***
	(0.319)	(0.306)	(0.617)	(0.493)	(0.341)	(0.452)
RD times Diff. Prov.		0.321		0..451		0.413
		(0.349)		(0.565)		(0.358)
RD times Diff. Regions		-0.438		-0.212		0.216
		(0.324)		(0.342)		(0.423)
Court FE	Y	Y	Y	Y	Y	Y
Year FE	Y	Y	Y	Y	Y	Y
Case Group (Top 10)	Y	Y	Y	Y	Y	Y
Defendant characteristics	Y	Y	Y	Y	Y	Y

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"Know Who" – Criminal Cases

	(1)	(2)	(3)	(4)	(5)	(6)
	Imprisonment		Life Imprisonment		Death Penalty	
RD Lawyer	-1.712***		-3.19***		-1.860***	
	(0.328)		(0.712)		(0.353)	
RD Lawyer x Home Court		-1.381***		-1.341***		-0.967***
		(0.302)		(0.437)		(0.371)
Sample	excl. RD Home	RD Cases	excl. RD Home	RD Cases	excl. RD Home	RD Cases
% in mean	5.5%	10.1%	8.5%	12.1%	13.3%	20.3%
Obs.	2,497,133	56,871	323,625	19,314	165,217	13,352
Court FE	Y	Y	Y	Y	Y	Y
Year FE	Y	Y	Y	Y	Y	Y
Case Group (Top 10)	Y	Y	Y	Y	Y	Y
Defend. Characteristics	Y	Y	Y	Y	Y	Y
Lawyer FE	N	Y	N	Y	N	Y

The premium of a given RD lawyer almost doubles in his home court:

1. Imprisonment sentences: 10.1% vs. 5.5%

2. Life imprisonment: 12.2% vs. 8.5%

3. Death penalty: 20.3% vs. 13.3%

Mechanisms for "Know Who" – Criminal Cases

	(1)	(2)	(3)	(4)	(5)	(6)
	Imprisonment (Months)		Life Imprisonment		Death Penalty	
Home Pref × New Judges	0.416		0.147		0.205	
	(0.393)		(0.382)		(0.358)	
Same Prov. × Diff. Pref.		0.339		-0.413		0.219
		(0.431)		(0.391)		(0.401)
% in mean	1.2%	0.7%	1.7%	2.7%	3.4%	3.1%
Obs.	55,319	47,345	18,497	15,195	13,086	11,294
R-squared	0.261	0.273	0.238	0.245	0.221	0.217
Court FE	Y	Y	Y	Y	Y	Y
Year FE	Y	Y	Y	Y	Y	Y
Case Group (Top 10)	Y	Y	Y	Y	Y	Y
Defendant characteristics	Y	Y	Y	Y	Y	Y
Lawyer FE	Y	Y	Y	Y	Y	Y

Revolving Door Lawyer's "know who" advantages disappear in:

1. Cases handled by newly joined judges (vs. Non-Home Pref. Cases)

2. Courts in other prefectures of home provinces (vs. Non-Home Prov. Cases)

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High-ability vs. Low-ability

|	(1)	(2)	(3)	(4)
	Defendant's Win Rate		Plaintiff's Win Rate	
	Loan Contract	Sales Contract	Loan Contract	Sales Contract
Panel A: Baseline effect using full sample: high ability vs. low ability				
RD Lawyer	0.006	0.026	0.010	0.019
	(0.004)	(0.017)	(0.012)	(0.021)
RD Lawyer × High Ability	0.022***	0.070***	0.106***	0.069***
	(0.005)	(0.020)	(0.016)	(0.021)
Panel B:"know how" using away courts sample: high ability vs. low ability				
RD Lawyer	0.007*	0.011	0.021	0.023
	(0.004)	(0.014)	(0.017)	(0.018)
RD Lawyer × High Ability	0.018***	0.061***	0.074***	0.061***
	(0.006)	(0.017)	(0.018)	(0.015)
Panel C: "know who" using RD lawyer sample: high ability vs. low ability				
Home Prefecture	0.003	0.011	0.020	0.013
	(0.002)	(0.013)	(0.015)	(0.014)
Home Pref. × High ability	0.008***	0.027*	0.032**	0.028**
	(0.003)	(0.015)	(0.014)	(0.014)

- Using the number of high-stake cases handled during RD lawyers' tenure as judges as a proxy for ability
- High-ability RD lawyers are the main driving forces in both the "know-how" and "know-who" channels.

Revolving Door Lawyer and Law Firm

- Modern service sectors differ from traditional manufacturing in that an employee's performance is typically more multi-dimensional
  - In addition to being an outstanding frontline lawyer/consultant, a partner at a law/consulting firm typically also serves as a mentor and a rainmaker

- We investigate: in addition to his own performance in court, does a RD lawyer bring additional benefits to his law firm?
  1. Mentorship: spillovers to other lawyers' performance?
  2. Ranimaker: attract high-profile clients and high-stake cases?

Mentorship Effect
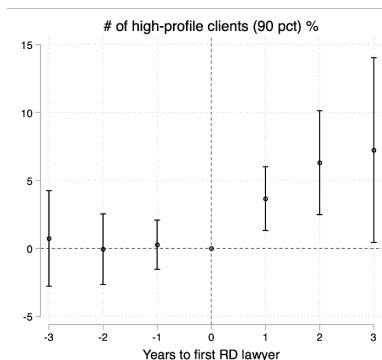

Spillover within Lawfirm
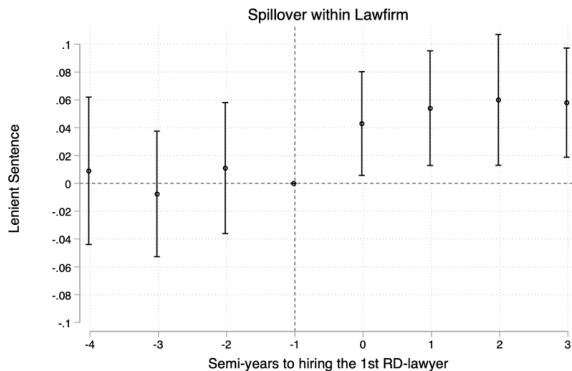
Focusing on criminal cases:

- We rerun the baseline specification while dropping the rd lawyer dummy.
- Residuals smaller than 0 as lenient sentences.
- We see a positive spillover effect to other lawyers within a law firm

Rainmaker Effect: Clients
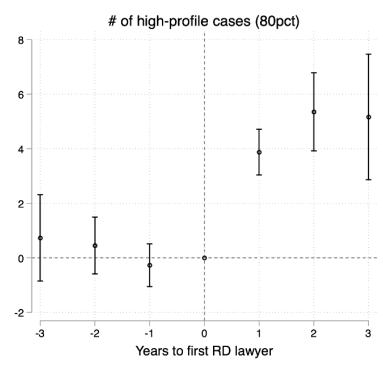

(a) 80 Percentile Clients
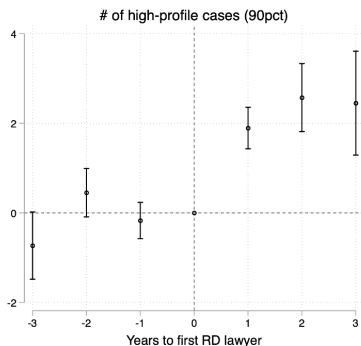

(b) 90 Percentile Clients

Focusing on civil cases:

- Using the registered capital measure the firm size

- We see more large firm clients after hiring the first revolving-door lawyer

Rainmaker Effect: Cases

(a) 80 Percentile Cases

(b) 90 Percentile Cases

Focusing on civil cases:

- Using the economic value of a case to measure the stake
- We see more high-stake cases after hiring the first revolving-door lawyer