



CENTER FOR THE STUDY OF LAW AND SOCIETY
BERKELEY LAW

CSLS SPEAKER SERIES

Monday, November 21, 2016

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“Relative Capture in the Judiciary: Evidence from Corporate Lawsuits in China”

Ever since the Federalist Papers, there has been a common view that the lower the level of government, the greater is the extent of capture by vested interests. Relying on the analytical framework of relative capture, I challenge this view by arguing that interest groups have different incentives and capacities to capture different levels of government. I test the theory by investigating how judges at different judicial levels adjudicate corporate lawsuits in China. Exploiting a quasi-experiment in which the Supreme People’s Court dramatically raised the threshold for entering higher-level courts in 2008, I report evidence that while privately owned enterprises are more likely to win in lower-level courts, state-owned enterprises are more likely to win in higher-level courts. These results are robust to a variety of tests, including considering selection bias, firms’ political connections, and using different samples. The findings challenge an underlying assumption in the decentralization literature and have important policy implications for countries that are trapped in centralization/decentralization cycles.

Prof. Wang’s paper is available on the CSLS website & in hard copy at the Center.

PLACE Selznick Seminar Room, 2240 Piedmont Ave.
TIME 12:45 – 2:00pm.
INFO <https://www.law.berkeley.edu/centers/center-for-the-study-of-law-society/>
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