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Policy Brief

STRENGTHENING JUDICIAL INDEPENDENCE: A DATA-DRIVEN APPROACH TO LEGAL, ECONOMIC, AND ETHICAL COMPETENCY

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INTRODUCTION

The benefits of improved economic reasoning extend to other disciplines, including legal and judicial decision-making. Existing research establishes that economic training impacts how judges evaluate evidence and legal trade-offs. Economically-trained judges enjoy lower appeal rates and improved outcome quality. They are better equipped to understand the economic impacts of commercial and investment disputes and their resolution. The development of economic reasoning amongst judges has also been tied to improvements in other areas of judicial decision-making, such as constitutional interpretation and ethical judgement. Jurisdictions across the world, including the US, already implement economic components at judicial academies and judicial training programs.

Thus, this becomes a pertinent field of inquiry for Pakistani economists and judges. Judicial independence and reliability is impacted by a range of external factors, including varied judicial appointment methods, political and structural pressures, and the threat of judicial capture. Improving economic reasoning capabilities and providing avenues for economic training of judges can serve as an impactful way of strengthening judicial independence from within.

The existing literature establishes that knowledge about economics can inform judicial decision-making by giving judges a clearer understanding of the social and commercial impact of their judgements. This study presents evidence regarding the impact of economic skills training on judges in Pakistan. The study consists of a field experiment conducted through blind sampling at a Pakistani judicial academy, mitigating selection bias and any difficulties in obtaining a moderate sample size. This is key in ensuring the generalizability of findings to the Pakistani judge population. Experimental instruments in the form of multiple-choice tests were designed to ensure standardization of data and reliably indicate the judicial reasoning metric. The three key indicators of economic reasoning, legal reasoning, and judicial rationality were isolated and operationalized, based on available literature. Lastly, the experimental instruments were based on an Item Response Theory model. This mitigated the potential complications of a biased or flawed experimental instrument, as IRT models can identify weak test items that do not reliably indicate the abilities of the participants. The exclusion of any identified weak items contributes to the validity of the study.

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METHODOLOGY

The research consisted of a field experiment conducted through a training offered at a Pakistani judicial academy. 200 serving District and Sessions Judges from a province in Pakistan were selected to undergo training. The research design is bi-phase. In phase one, prior to the commencement of the training, participants underwent a standardized multiple-choice questionnaire (Test 1) to assess their economic reasoning and legal reasoning abilities. In phase two, half of the participants (Group A) were given Test 2 assessing judicial rationality to complete prior to receiving training (Test 2A). After the administration of the experiment instruments, participants underwent a two-day training in economic reasoning principles of relevance to judges. After the completion of the training, the remaining participants (Group B) were given Test 2 to complete (Test 2B).

Judicial tests were carried out on the 15th and 16th of December 2025. Due to study and location constraints, the tests were carried out online, through the use of an online form application. The training intervention also took place through a video conferencing application. The total sample population selected was 200 judges, of which approximately 180 attended the training.

In the first phase, participants were given 45 minutes to complete Test 1. The test items were read out loud by the instructor for accessibility and convenience. Following the completion of Test 1, half of the participants (Group A) were selected at random to complete Test 2 prior to the start of the training intervention. The allocation of participants to Group A and B was concealed from the instructor and members of the research team.

In the second testing phase, participants were given a four-hour training (spread out over two days) in basic concepts regarding economic reasoning. After the training was concluded, participants from Group B were given Test 2 to complete.

FINDINGS AND CONCLUSIONS

The research findings identified a positive correlation between economic reasoning and legal reasoning. The research findings also identified a positive correlation between economic reasoning, legal reasoning, and judicial rationality. Of these, economic reasoning and judicial rationality were more consistently associated than legal reasoning and judicial rationality.

The research findings were able to indicate a significant causal impact of the administration of a short economic skills training on the improvement of judicial rationality in at least one of the estimated models. The findings validate the use of targeted judicial training programs in improving the abilities of judges in Pakistan. Additionally, the findings demonstrate a more consistent association between economic reasoning and judicial rationality than legal reasoning and judicial rationality. This affirms the importance of economic reasoning development as a method for improving the rationality of judges. The use of IRT models in the development of experimental instruments also allowed for greater accuracy of results by identifying flawed test items. This

highlights the benefits of utilizing IRT modelling in training instrument design and capacity building endeavors.

KEY POLICY RECOMMENDATIONS

The study and its policy recommendations are relevant to the following identified key stakeholders: judges, judicial academies and related officials, policymakers, law schools and programs, research institutions, and economists.

The following are key action areas identified for policy work and improvement:

Economic Skills Training for Judges

Proposed actions under this action area relate to the adoption of economic training components as a standard part of judicial academy and law school curricula. This incorporation would strengthen the rationality and reasoning skills of judges and law students (future judges) alike. It would also better equip judges to deal with cases involving commercial, anti-trust, and competition law elements.

The facilitation of the study's economic skills training by a provincial judicial academy serves as proof for the validity of this focus area. Institutionalization of the training at all judicial academies would ensure the standardization of judicial training for judges across Pakistan. Mandatory economic curriculum components in law schools would also improve the reasoning skills of future lawyers and judges. These actions can be undertaken with the help of judges, judicial academies, and law schools.

IRT-modelling in Training Instruments

Proposed actions under this action area relate to the adoption of IRT-modelling in training instruments and tests in judicial academies and other training institutions. This would improve the validity and accuracy of these instruments in assessing the true abilities of test-takers, and prevent biased results stemming from weak test items. These actions can be undertaken with the help of research institutions, law schools, and judicial academies.

Research into Law and Economics in Pakistan

Proposed actions under this action area relate to further research into the intersection between law and economics in Pakistan. Identified areas of further research include examining the real-world social, economic, and legal impact of judicial decision-making that is not informed by economic principles, as well as the isolated impact of economic reasoning on various branches of law, such as commercial, criminal, and family law. These actions can be undertaken with the help of research institutions, law schools, and economists.

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Research into Other Variables Impacting Judicial Reasoning

Proposed actions under this action area relate to further research into other variables and skills that impact judicial reasoning. It is recommended that research institutions prioritize further research into understanding and optimizing the way in which the judiciary functions in Pakistan. This research was limited by its focus on the test variable of economic reasoning. The study should be repeated with a broader scope of variables, such as ethical judgement and constitutional knowledge, in order to further explore the factors influencing judicial reasoning in Pakistan. A more controlled research environment would also increase the validity of the study and allow for better inference of causal relationships. The research should also be repeated with a modified training design, as the length and depth of training content may have impacted the results. The training instruments should also be modified for greater thematic variance and a larger number of test items. These actions can be undertaken with the help of research institutions, judges, judicial academies, and policymakers.