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Abstract

This paper examines the role that administrative court review in Egypt plays in supporting the integrity of public-private business relations. The paper uses court rulings related to Government Tenders and Bids Law during administrative contract implementation to assess whether 1- government authorities are more likely to receive a favorable ruling, 2- whether award-to-claim ratios are higher in government-initiated cases, and 3- whether average judicial dispute settlement time differs between contractor versus administrative authority claims. I use rulings data on some 470 cases from East Laws Network to construct variables for dispute characteristics and outcomes. Analysis shows that government authorities have higher odds of a favorable award of the main disputed value or in composite claims, compared to contractors. Plaintiff identity does not affect award odds for compensation or interest claims while plaintiffs' inclusion of an interest or compensation claim increases the odds of main value award ratios. For the fraction of claim value awarded, administrative authorities receive a larger fraction of the claim and the difference is larger the wider the composite claim measure is. Similar to odds of award ratios, the expected award to claim value increases with inclusion of interest or compensation claims when filing, but relating award to a measure that includes a specified compensation claim reduces the expected award to claim fraction. For judicial dispute settlement time, results show that contractor-plaintiff cases take less time to resolve in court relative to administration-initiated cases. Economy-wide variables, institutional administrative court restructuring and a variety of dispute characteristics affect dispute resolution time, where their effect on dispute outcomes is generally negligible. The overall analysis suggests that plaintiffs are partially successful in applying law principles when claiming interest and compensation to improve dispute outcomes. Bias in favor of administrative authorities remains, however, suggesting that it is likely the outcome of the combined discretionary room for administrative authorities in the Government Tenders and Bids Law and discretionary room that courts have in Civil Law principles governing compensation and interest awards. Both increase administrative authorities' chances and size of a positive award, but do not indicate a certain outcome that dissuades contractors completely from resorting to court in case of dispute.

JEL Classifications: K2

Keywords: Administrative Court; Public-Private Business Relations; Judicial Dispute; Egypt

ملخص

تبحث هذه الورقة الدور الذي تلعبه المحكمة الإدارية في مصـــر في دعم نزاهة العلاقات التجارية بين القطاعين العام والخاص. تســـتخدم الورقة الأحكام القضـائية المتعلقة بالعطاءات الحكومية والعطاءات القانون أثناء تنفيذ العقد الإداري لتقييم ما إذا كان من المرجح أن يحصـل على الحكم المؤيد والســلطات 1-الحكومة 2- ما إذا كانت نســب الجائزة إلى المطالبة هي أعلى في حالات تبادر بها الحكومة، و 3- ما إذا كان متوسط الوقت القضـائي لتسوية المنازعات يختلف بين المقاول مقابل مطالبات السلطة الإدارية. يمكنني استخدام الأحكام البيانات على نحو 470 حالات من شـبكة القوانين الشـرق لبناء المتغيرات لخصـائص النزاع والنتائج. ويظهر التحليل أن الســلطات الحكومية لديها احتمالات أعلى من جائزة مواتية من قيمة المتنازع الرئيســية أو في المطالبات المركبة، بالمقارنة مع المقاولين. هوية المدعي لا تؤثر على خلاف جائزة التعويض أو الفائدة والمطالبات في حين إدراج المدعين من مطالبة مصـــلحة أو التعويض يزيد من احتمالات نســـب الجائزة القيمة الرئيســية. تتلقى الســلطات الإدارية جزء أكبر من المطالبة والفرق هو أكبر وأوســع لمقياس المطالبة . على غرار خلاف النســب

الجائزة، الجائزة المتوقعة للمطالبة بزيادة القيمة مع إدراج المطالبات أو التعويض عند الإيداع، ولكن تتعلق الجائزة بقياس يتضـمن المطالبة بالتعويض المحدد والذي يقلل من الجائزة المتوقعة للمطالبة بالكسـر. أظهرت النتائج أن حالات المتعاقدين المدعين تسـتغرق وقتا أقل للحل في المحكمة بالنسبة إلى الحالات التي بدأت الإدارة. المتغيرات على مستوى الاقتصاد، وإعادة هيكلة المحكمة الإدارية المؤسسية ومجموعة متنوعة من خصـائص النزاع تؤثر على فض المنازعات الوقتية، حيث تأثيرها على نتائج النزاع لا يكاد يذكر عموما. ويشـير التحليل الكلي أن المدعين ناجحين جزئيا في تطبيق مبادئ القانون عندما يدعي الاهتمام والتعويض من أجل تحسين نتائج النزاع. التحيز لصالح السلطات الإدارية يبقى، مع ذلك، مما يشـير إلى أنه من المرجح أن تكون النتيجة للغرفة التقديرية الإجمالية للسـلطات الإدارية في قانون المناقصـات والعطاءات الحكومية والغرفة التقديرية بأن المحاكم لديها في مبادئ القانون المدني التي تنظم التعويضـات والفوائد الجوائز. تزيد فرص كل من السـلطات الإدارية وحجم الجائزة إيجابية، ولكن لا تشـير إلى نتائج معينة أن يثني المقاولين تماما من اللجوء إلى المحكمة في حالة الخلاف بينهم.

1. Introduction and Background

The existence of a sound legal framework for the protection of property and contractual rights is essential in a modern market economy, where the primary function of courts is management of a reliable and efficient dispute resolution process (Posner 1998). While this line of reasoning typically focuses on the creation of new market economy institutions (World Bank 2002), the same principle applies in periods of major economic restructuring of the relationship between government and market operators, where literature is not limited to developing countries. Of particular importance is the role that judicial dispute resolution plays in ensuring credibility of government commitments. In the United States, for example, deregulation of infrastructure in the early 1970s and the "agencification" of government administration, resulted in a phenomenon of challenging agencies' decisions before the Supreme Court. The question then became what role these agencies must perform in situations that statutes do not address. In other words, in the discretionary space that these agencies possess, are they responsible for balancing opposing interests and act as quasi-legislatures or is their responsibility limited to ensuring regulation implementation in deference to legislature's objectives from creating the regulatory administrations? Through analyzing rulings in Supreme Court cases against regulatory agencies, Garland (1987) concludes "that a concern for ensuring fidelity to congressional intent, and particularly for protecting the intended beneficiaries of statutory programs has shaped the evolution of the elements of deregulation review."

Similar shifts in allocation of jurisdiction in the direction of courts, for example, occurred in the context of the European Community's competition regulation governance, where the Commission "returned" some of its powers to the member states and where it chose to pursue its competition regulation strategy through legally non-binding instruments, such as guidelines, notices or cooperation networks, which do not require the approval of the Council of Ministers or the European Parliament. Two simultaneous shifts occurred, one is a shift towards an increasing role for European courts in competition policy protection, and the other is courts' assessment of not just the legality of actions, but also their assessment of dispute facts themselves (Lehmkuhl 2008).

Such examples of shifting the burden of regulatory functions between the executive and judiciary can fit in a wider *path dependence* framework, which must not just explain observed variations in legal systems in different countries. Bell (2013) argues that path dependence dictates the concepts that laws use to solve problems as well as whether a particular society will utilize a law, as opposed to other institutions, to regulate activity in a particular area. The resulting change in a law, nonetheless, depends significantly on the "embeddedness" of the law in a country's overall legal system and on how much the new law connects with principles in other laws, especially if these are themselves pinned in corresponding institutional structures. In hindsight, evidence from review of judicial reform in Latin American countries echoes Bell's path dependence argument and sheds doubt on judicial reform that does not address judicial independence guarantees or increases accountability (Botero, La Porta, Lopez-de-Silanes, Shleifer and Volokh 2003). Thus, the challenge for strengthening the role of judiciary as a pre-requisite for efficient markets is to benefit from lessons learned from other countries, while capitalizing on existing institutions within a country. This necessarily starts with evaluating current institutions and assessing their ability to deliver independent and credible arbitrator among private parties, as well as between private parties and the state both in contractual public-private relations or in the context of the state's business regulation function.

Empirical research examining independence and general patterns of ruling in judicial review cases is not as abundant. Several studies, however, detect patterns of judicial review outcomes as they

associate to case type, challenging party identity, issue in question, arguments utilized, etc. See, for example, an assessment of the US State of Alabama Supreme Court decisions suggesting likely rulings of unconstitutionality in particular case characteristics (Emmert 1992). Other research just focused on the frequency of ruling in cases against particular regulatory agencies (Crowley 1987). In the case of the UK, Sunkin (1987) reports on the use of judicial review between 1981-1986, clarifying trends on use of civil judicial review, subjects litigated, delays, representation, etc., which he argues are important to inform "a more focused debate on the role and operation of the judicial review process. " For Brazil, Constitutional court rulings in "politically crucial" economic cases show that "High Court justices balance a set of considerations that include justices' ideologies, their institutional interests, the potential consequences of their rulings, public opinion, elected leaders' preferences, and law" (Kapiszewski 2011, 71).

Posner (2008) argues, from a theoretical perspective, that detecting bias in judicial review may not necessarily indicate a social or economic "bad" if it counters a social or economic bias in the legislature's law formulation or ineffective patterns of regulatory agency decisions. In his opinion, the only mechanisms for judging whether judicial bias is good or bad is to first use economic theory to evaluate whether there is room for welfare improvements in governing laws that political interest may be responsible for biasing to start with, then characterizing judicial review's bias as whether it rectifies or exacerbates legislature or executive's "failure." This reasoning, in a way, validates Bell's path dependence argument for the need to expect an influence of existing institutions in legal evolution, which successful legal reform initiatives must address. This approach, by necessity, requires consideration of an individual-country yardstick of economic welfare realization against which to measure outcomes of legal reform, bringing us back to the link between sound legal frameworks and efficient market economies.

In a different context, but perhaps one that provides anecdotal supporting evidence to Posner and Bell's arguments, Gillespie (2007) maintains that judicial "power" may be a better indicator of courts' capacity to resolve commercial disputes than measures that focus on judicial independence in ex-socialist countries. In Asia, countries transforming to market economies saw political connectedness of the judiciary protecting emerging courts from interference from powerful government agencies. Gillespie warns that judicial reform that reduces political influence and promotes purely law-based decisions may not align with popular support and with the ultimate objective of strengthening court legitimacy. Similar conclusions arise from studying the establishment of independent judiciaries in Central and Eastern European and former Soviet republics. Herron and Randazzo (2003) show that *de jure* judicial power does not necessarily predict actual judicial power capable of overturning, or requiring modification of legislations. Rather, a myriad of other exogenous variables such as economic conditions, executive power, identity of the litigants and legal issues create *de-facto* constraints on courts' actions and content.

The current research seeks to analyze the performance of administrative court review of government bodies' decisions and contractual obligations in Government Tenders and Bids Law 89 for the year 1998 disputes, primarily for assessment of judicial independence and to detect potential bias in favor of administrative authorities in court rulings. Indirectly, the analysis acknowledges the overall context in which the relevant law, administrative court jurisdiction, and other legal principles can potentially contribute to the existence of bias in expected court outcomes. Specifically, the analysis asks the following question: Can we find in administrative court rulings evidence of lack of independence as evidenced by bias in favor of government contracting authorities and against private contractors? The analysis uses court rulings related to implementation of government contracts governed by law 89 for the year 1998 on Government

Tenders and Bids, which represents the main legislation governing government procurement for public works and purchases of goods and services.

Several reasons justify the selection of this particular law. First, disputes related to this law provide cases where both administrative bodies and contractors can resort to courts for settling a dispute, when pure regulatory claims against government authorities (including business regulators) arise only from private contractors challenging authorities' decisions. Second, focusing on the post-contract signing phase, the analysis targets the existence of bias in courts' review of administrative authorities' exercise of the discretionary space that the law grants in various contexts (Refer to Section II). The investigation does not include disputes challenging the transparency and competitiveness of the bidding process, which is procedural in nature, leaving limited discretionary room in the steps that administrative authorities must follow. Finally, because of the nature of the government public-private contract, ruling documents contain contract details with corresponding monetary values of court decisions as they relate to contract value, monetary compensation for harm, or interest compensation; all aspects that may not be readily accessible in other regulation-related court rulings. This is a feature that Law 89/1998 disputes that judicial review in other empirical research do not accommodate.

The rest of the paper is as follows: Section II summarizes the main features of the Government Tenders and Bids Law, with emphasis on aspects relevant to the post-contractual phase. Section III describes the role of administrative courts in hearing disputes between government and private contractors. Section IV presents proposed measures for testing for bias and testing framework while Section V through VII report analysis results for each bias measure. Section VIII discusses collective results and Section IX concludes, provides policy implications, and suggests areas for further research.

2. Government Tenders and Bids Law

The Tenders and Bids Law governs public-private contracts such as goods procurement, service contracts, public works, maintenance, management, and sale or lease of property.[1] Detailed procedural rules characterize the law and successive executive regulations outline the boundaries of permitted decisions of government authorities from tender or bid initiation and selection of winners to management of the resulting relationship between the private party and the contracting administrative authority during project implementation or procurement delivery. For administrative-contract substantive content, mutual agreement principles (a principle that governs private contracts) and applicable sector or business regulation laws determine the legality of contract content. In case of disputes, courts rule in this latter case against contract terms.

In terms of institutional coverage, Law 89/1998 governs government procurement for all government administration entities including ministries, local government authorities, and general economic and service authorities (Law promulgation Presidential Decree, Article 1).[2] However, Law 89/1998 allows resort to arbitration in case of dispute, subject to competent minister's approval (article 42). In terms of contract coverage, Law 89/1998 provides specific details for the purchase of movable property and contracting for service delivery and consultancies (Book One), purchase and renting of real estate (Book Two) and sale of movable property, leasing, concession and utilization licensing of public immovable property and real estate (Book Three). The law requires reliance on open public bids/tenders or public bids and open tenders that allow for negotiation as primary methods of procurement, with some exceptions allowing resort to limited

[1] For details of Law 89/1998 and its Executive Regulations, See Ministry of Finance (2010).

[2] The law allow for exemptions for Ministry of Defense.

tenders, local tenders, or sole purchase contracts to meet urgent needs, in unique expertise cases under value ceilings by type of contract, subject to higher authority approval (article 5). In cases of extreme urgency, the law requires a prime ministerial approval to exempt contracts from respective ceilings (article 7). The law allows the tendering authority to cancel the bid any time prior to issuance of a final decision if "public interest justifies" cancellation, if only one qualified bid remains, if all bids included reservations, or if all bids fall short of an estimated minimum value assigned to the property. The responsible committee must justify the cancellation decision (article 15). The contract winner must provide a financial bond equivalent to 5 percent of contract value as a guarantee during contract implementation that the authority must refund without delay after contract completion. For projects that extend beyond three years, the bond can correspond to annual phases of work implementation (article 18).

Even though Law 89/1998, streamlines many transparency issues in the process of tendering a government contract, it keeps intact parties' rights and obligations during contract implementation and settling of remaining financial obligations after contract conclusion in previous laws and continues to give public bodies' substantial preferential status at various stages and in various contingencies. For example, the government party is entitled to terminate a contract (article 5) and/or confiscate financial bonds without the need to resort to court (article 26).[3] It also has the right to impose delay penalties for failure of contractors to deliver tasks on time as compensation for an assumed harm as per executive regulation guidelines and ceilings (article 23 and executive regulations article 83).[4] The authority also has the right to assign work to the next-in-line bidder, if the winning contractor does not present the full amount of the financial bond, without the need to submit a warning or to obtain court order. The authority decides whether implementation delays are the result of *force majeure* beyond contractors' control.[5] In addition, when a contractor does not deliver obligations on time, the administrative authority has the right to assign the remaining work to other contractors at the expense of the original contractor, where he/she continues to be financially responsible for additional cost.[6] Furthermore, the authority has the right unilaterally to increase the quantity of work or procurement by up to 25 percent of contract value, under same terms and conditions, without a need for the contractor's approval, which can be exceeded in cases of emergency (Executive regulations article 78). In all these cases, an administrative authority has the right to issue unilateral decisions without the need to acquire court permission unlike the case of a contract between two private parties, where resort to court is necessary in response to partners' breach of contractual obligations.

The unbalanced distribution of rights in favor of administrative authorities represents a pseudo-regulatory role that administrative authorities possess. Thus, outcomes of judicial review in these disputes can resemble court review of administrative authorities to impose penalties, for example, in other government regulation contexts such as a regulator's decision to impose a fine, deny or revoke a license, and so forth. A private party does not possess comparable rights in either private-private or private-public contract.[7] Only in cases where administrative authorities claim harm that extends beyond penalties, confiscation of bonds and assignment of work to others that entail an

[3] *Supreme Administrative Court Challenge # 4268, Judicial year 43, Feb 13*, 2001

[4] *Supreme Administrative Court Challenge # 12002, Judicial year 47, May 3*, 2005

[5] *Supreme Administrative Court Challenge # 5291, Judicial year 51, April 6*, 2010

[6] Supreme Administrative Court Challenge # 2281 , Judicial year 43, Aug 29 2000, Supreme Administrative Court Challenge # 2281 , Judicial year 43, Aug 29, 2000

[7] If a private party wishes to terminate or annul a contract, it must go to court and explain why it wishes to end the contractual relationship citing the other party's wrongdoing or failure to fulfill its contractual commitments. If the court rejects this claim, both parties remain bound by contract terms.

additional cost, does the law require that the government authority obtain a court ruling to hold the contractor liable for cost and allow collecting from his/her other net worth sources.[8]

3. The Role of Administrative Courts in Egypt in Hearing Public-Private Disputes

Private law (regular courts) governs transactions among private persons. Administrative courts in Egypt, on the other hand, are responsible for hearing disputes between private parties and government bodies. Law 47/1972, establishing the State Council or Conseil d'Etat (Administrative Court Hierarchy responsible for hearing and ruling in administrative law cases), stipulated that administrative courts possess "general jurisdiction" over all administrative contracts. These courts are different from regular courts that hear disputes among private parties and the rationale for having separate courts responsible for hearing public-private disputes is the premise that the administrative authority is not an ordinary party in a contractual relationship.[9]

The jurisdiction of administrative law and courts in the context of private participation in markets lies in two broad areas where the state operates: unilateral administrative decisions that a state body issues and administrative contracts in which the state enjoys a position that is more powerful than the private contracting parties do. Cases in the former category include, abstinence of a government body to apply a favorable decision, for example issuance of a license, or a public authority's issuance of a decision that imposes a fine, disconnects a service, etc., while cases in the latter category correspond to disputes arising from public-private contracting.

Administrative Courts have a separate structure, where the Supreme Administrative Court sits at the apex of such a structure, the administrative court and the administrative judicial court are courts of first instance, depending on dispute type and/or value. Despite the non-existence of an established system of legally binding precedents, the principles and precedents of the Supreme Administrative Court for administrative law matters morally, and practically bind courts. This authority resulted in the accumulation of a separate set of legal rules applicable to administrative disputes. These legal rules, which are not entirely codified; hence, because often no applicable legislative rules exist, create a wide range for judicial discretion in light of the established precedents laid by the Supreme Administrative Court, which has binding authority over lower Administrative Judicial Courts (Abdel Wahab 2012). For Supreme Administrative Court rulings, on the other hand, it is possible for a more recent Supreme Administrative Court ruling to contradict a previous one, resulting in an effort to "unify" Supreme Court rulings to eliminate potential conflicting rulings in similar cases.

The combination of legislative philosophy that offers wide discretionary room to administrative authorities and the judiciary division into regular and administrative courts results in giving (and enforcing) a system in which the government body, even as a contracting party, has rights that are a mixture of those of a regular contracting party and an economic regulator. The underlying assumption is that administrative bodies exercise the wide range of rights in the context of pursuing public interest. However, these discretionary rights of administrative authorities are subject to

[8] For details of Law 89/1998 and its Executive Regulations, see Ministry of Finance (2010). Assessments of the law 89/1998 and its predecessors Law 9/1983 include Zohny (2003), USAID (2003), and EBRD Office of the General Counsel (2012). These reports show that while law 89/1998 enhanced transparency of bidding process and expanded the scope of law coverage many drawbacks remain especially in the post contract-signing phase. They also present additional implementation problems that continue to characterize the pre contract-signing phase, which are beyond the focus of this current research.

[9] See for Example, Gad-Nassar (2004) for an exposition of the development of these concepts and how they evolved to characterize the differences in rights and responsibilities of the state and its private partners in contracts that relate to the operation of a public utility or administrative responsibilities of the executive branch of government.

review of a (discretionary) judiciary, hence the importance of assessing how the two discretions interact to produce predictable patterns in public-private dispute outcomes.

4. Judicial Review of Government Tenders and Bids Disputes: Court Bias Hypotheses and Testing Framework

To assess the existence, or lack thereof, of bias towards administrative bodies in court rulings, this paper uses rulings related to successive Government Tenders and Bids Laws ending with Law 89/1998. If a contractor believes that the government-contracting partner, in its exercise of these rights, abused its power, he/she can resort to court to challenge the decision or act and demand a specified amount of money (that the administrative body confiscated) and accruing interest and/or ask for compensation for harm. If the administrative body assigns work to another contractor, however, it must resort to court to hold the original contractor responsible for it. The contractor may also demand compensation for harm or damages. In granting compensation, courts rely on general civil law principles such as proof of fault, linking harm to fault, and these principles apply irrespective of the identity of the plaintiff or defendant.[10]

Several characteristics of administrative court rulings in disputes related to Government Tenders and Bids law allow quantitative and statistical analysis of dispute outcomes, which in turn allows us to discern independence and impartiality of administrative courts' judicial review in public-private business relations. First, with respect to providing a sufficient number of cases, legislations governing government tenders and bids changed only two times during the past 60 years. Second, consecutive laws gradually expanded coverage of government tenders and bids laws over sectors and the law coverage expanded to apply to all government authorities when contracting with domestic or foreign private contractors. Coverage of the Government Tenders and Bids law also grew over time to include all contract types such as procurement of goods and services, public works, and sale or rent of public property. Finally, with respect to contract value, the law governs contractual relationships that range from as little as a few hundred to millions of Egyptian pounds and with resulting disputes spread geographically over metropolitan, small urban, and even small rural government units. In addition, in terms of dispute similarity, successive amendments that clarified procedural steps during contract implementation, reduced dispute potential areas to a limited number of dispute types that allow treating these cases as comparable observations.

Towards this end, the paper asks three questions to determine whether courts' rulings in public private disputes are likely to be in favor of administrative bodies. If they are biased, in what areas does the bias manifest itself? Can we detect variables that are responsible for directions or magnitudes of bias? To conduct the analysis, the paper uses three measures of bias and seeks to determine whether these measures differ, on average, in cases when the plaintiff is a contractor compared to when the plaintiff is an administrative authority. The measures are:

1. The probability of a party receiving a favorable ruling and whether plaintiff identity (contractor vs. government authority) affects the expected outcome;
2. In favorable rulings, are administrative authorities likely to receive a larger fraction of their claims compared to contractors?
3. Does dispute resolution time differ between contractor-initiated and government-initiated cases?

The statistical analysis is conducted for a sample of 472 claims, including claims 106 claims resulting from 53 rulings where one ruling corresponds to two opposing, or related claims. In the

[10] *Supreme Administrative Court Challenge # 8640 , Judicial year 48, Jan 4*, 2005

context of a two-claim case, each litigant files a lawsuit related to the same contractual relationship for which it issues one ruling. Statistical analysis is conducted separately for the sub-sample of single-claim cases that excludes claims resulting from the 2-claim cases to eliminate any potential influence that the reciprocal nature of the two claims might produce and to assess the impact a combined ruling in two claims on dispute settlement time. Results of single-claim cases are reported only when different from results for the full sample. The analysis, on the other hand, includes being part of a dual-case as an explanatory variable in the context of each of the bias indicators.

To answer each of the potential bias questions, the following three sections start establishing whether there is a difference between contractor-plaintiff and administrative-plaintiff cases in the observed occurrence or value means of various measures, and if there is, in what direction. Then, in cases where the difference is statistically significant, the primary question becomes whether the plaintiff's identity represents an explanatory variable in expected outcomes. In addition to plaintiff identity, general dispute characteristics such as value of claim, whether the claim is part of a two-claim case and which tenders and bids law governs the dispute can be reasons for differences in ruling outcomes. Furthermore, for questions 1 and 2, the plaintiff's own claims influence the expected ruling outcome and fraction of claim that the court ruling awards. The analysis includes explanatory variables for these parameters and abstracts from delving into dispute details and specifics even when this latter group can produce significant effects on the measures of interest.

For dispute resolution time, the analysis includes additional variables to capture the likely impact of the share of overall government in economic activity in the year the contract was signed on increasing the potential for public-private disputes, which in turn prolongs dispute resolution time. The establishment of regional administrative courts in addition to the main ones in Cairo and Alexandria also affects possible differing regional patterns in law application and not just dispute duration. Another institutional variable that affects dispute resolution time is the existence of the dual court system itself. For some disputes, the plaintiff starts by filing a lawsuit in a regular court, which decides that it falls under administrative court jurisdiction and transfers it to that court to take a new number and position in that latter court. This latter path occurs in 20 percent of the sample and, unlike geographic expansion, is likely to persist. For a complete set of variables and definitions, please refer to Appendix 2.

5. Odds of a Favorable Ruling

We can detect the first signs of bias towards government if administrative bodies (as a group) consistently have a higher odds ratio for receiving favorable court rulings, as compared to contractors. A favorable ruling can be in the form of a positive award that is one of combination of three different values: the claimed monetary value, compensation for harm or damage (separately related to the administrative authority's decision or in conjunction with a monetary claim), and accrued interest for the delay in receiving the monetary value.

To capture court decisions, which may or may not grant the plaintiff all claims made in the case, the *Total Award* variable represents the case where the plaintiff receives any part of his/her claim or of its components. In this case, Total Award, while in general includes a main disputed value (86 percent of the cases), also includes claims of only a non-monetary demand to reverse an administrative decision, or such a claim accompanied with a compensation for damage. To capture odds of award ratio for individual claim type, three additional odds of award measures capture these ratios for 1- *Value Award*; the case where the plaintiff receives all or part of the specified monetary amount that he/she claims; 2- *Compensation Award,* where the plaintiff receives all or part of the compensation claim made; and 3- *Interest Award,* where the plaintiff receives accrued

interest. The latter two evaluate the odds of a positive award for these ancillary claims whenever the plaintiff includes them explicitly in the overall claim.[11] The total number of observations corresponding to each measure appear in table 1-a and 1-b for the full sample of all claims and for the single-claim sub-sample, respectively.

If there is no statistically significant difference in these odds, then we can conclude that, at that level and for that indicator, there is no evidence of bias towards administrative bodies. If alternatively, we detect a positive association between favorable rulings and administrative-authority plaintiffs, then we can suspect bias and lack of impartiality in the judicial review process. Yet, a difference in odds ratios of positive rulings can be a function of other case characteristics that the analysis of odds ratios does not capture. Therefore, before concluding that differences in positive award ratios indicate bias, we must examine whether other variables are responsible for the higher likelihood of a favorable ruling and whether controlling for these variables eliminates the observed difference.

The plaintiffs' choice to include a particular kind of demand or to include multiple demands may explain the difference. When filing a lawsuit, the plaintiff can demand one or more of three demands: a specified amount of money or that claim plus compensation or interest, or both. A finer analysis of why the odds of winning may differ between contractors and administrative bodies (especially in the case of bias in overall award probabilities) must examine the probability of receiving a favorable award for contractors vs. administration bodies, for *the same type of claim*.

Tables 1-a presents Chi Square tests of the association between a contractor plaintiff and receiving a positive court ruling, where Contractor claim =1 is a contractor-plaintiff case, while Contractor claim = 0 is an administration-plaintiff case. Table 1-b presents the results of the analysis of odds of positive awards for single-claim cases only. Results for each award measure appear in Cells 1-1, 1-2, 2-1, and 2-2 in the respective tables.

Visually in Table 1-a and Table 1-b, we see that instances of awarding contractors a positive award are lower than those for administration (201/331 vs. 97/141 in cell 1-1 for example) in all but the measure for compensation awards (43/109 vs. 4/14 in cell 2-1). These are also lower than the expected counts had there been no association between contractor-plaintiff identify and the probability of receiving a positive award. However, the association as measured by the Chi-square statistic is significant in only *total award* for both samples (Table 1-a and Table 1-b, cell 1-1) and *value award* for the single-claim sub sample (Table 1-b, cell 1-2). Association strength in statistically significant cases is negligible or weak (absolute value for Phi and Cramer's V is less than 0.2).

Statistical significance of association between positive award and contractor claims is not sufficient to prove that there is evidence of courts' bias for a number of reasons. First, the statistical association is weak for individual claims and the strongest significance is in composite *total award* measures. Second, if court rulings are biased against contractors in *total award*, then it is likely to see a similar pattern when they grant government authorities compensation and interest claims, which the analysis shows is not the case. These concerns suggest a need to explore the influence of other exogenous or dispute-specific characteristics on differences in observed probabilities. Variables such as claim value (relative to GDP per capita in the year the plaintiff filed the claim),

[11] Because the court cannot award a ruling unless the plaintiff asks for it in his/her claim, analysis of component elements of the awards relate to only the cases where the plaintiff submitted an explicit demand for the type of award analyzed. Therefore, if the plaintiff deserves compensation in the form of accrued interest or compensation of harm, but he/she does not ask for it in his/her claim, the court will not even consider offering it to him/her.

applicable law (263/1954 vs. the two more recent laws), the ruling court (Cairo or Alex vs. others), and whether the claim is part of a two-claim case can trigger the observed higher odds of a positive award for administrative body cases.

I conduct Binary Logit regressions for each of the four measures. For *total award* and *value award*, the two measures that exhibit statistical significance in the Chi-square test results, I add plaintiff's contractor identity separately and in conjunction with compensation and interest claims. Tables 2-a, 2-b summarize the results of the analysis for the full sample and for the single-claim cases sub-sample, respectively.

Exogenous and dispute-characteristic variables are generally insignificant in explaining changes in odds of winning ratios, and model fit is poor when these are the only explanatory variables. The only exception to this general pattern is the two-claim case variable for whole sample results indicating that being part of a two-claim case reduces the odds of winning for each plaintiff (Table 2-a Panel 1 and Panel 2, all models). This is a plausible impact of having a counter-claim related to the same contract. Thus, these variables, in general, do not play a role in the odds of any positive ruling.

Plaintiffs choose to include in their claims ancillary demands of interest and/or compensation and do not limit the claim to the disputed value (confiscation of financial bond, cost of extra work, application of delay fine, etc.). It is likely that inclusion of these demands in the claim indicates a "strong perception" of deserving the contested value and some form of compensation, which is a function of the case details as well as the legal principles that govern qualification for interest or compensation award.

Three legal principles are pertinent in this context. The first is that the court awards compensation only when it establishes a fault-causality-harm chain between the defendant's action and the resulting harm to the plaintiff. This issue is important because it is not sufficient that the plaintiff proves harm, the necessary condition for granting compensation is to convince the court of the defendant's "fault." The other two relate to interest granting. According to Egyptian Civil Law, the creditor does not deserve interest except when the dispute relates to a "specified amount of money that is due at the time of claim filing" [12]. In this case, the court grants "legal interest" as compensation for the delay that the creditor experiences because of dispute-settlement time.[13] If the specified amount of money is not due for payment at time of claim and/or its amount is disputed, then this amount is not eligible for interest even if the court grants the plaintiff his/her value claim.

It is important to note that claiming interest or compensation does not automatically grant the plaintiff award of either when the court awards him/her the contested monetary value. Conversely, not claiming interest or compensation represents relinquishing a right that courts will not volunteer to grant when plaintiffs do not explicitly claim it. Thus, there is no one-to-one association between value award and interest or compensation award, yet there is a potential impact of interest and compensation claims on the expected award odds ratio for both *total award* and *value award*

[12] Supreme Administrative Challenge # 7164, Judicial year 45, Jan 11 2005 and Supreme Administrative Court Challenge # 8020, Judicial Year, July 25 2006

[13] Depending on transaction nature (commercial or civil) and the creditor status, the court decides if applicable interest is 4 or 5 percent (civil code rates). In principle, if the parties agree in the contract that a different rate of interest will apply in case of dispute, the court might decide to grant that in the context of time compensation. In the cases analyzed, however, only five plaintiffs demanded interest that is higher than the legal interest and the court granted it in only one of these cases.

(111interest awarded in 199 interest claims in Table 1-a and 88 interest awarded in 159 interest claims in Table 1-b).

Including interest claims produces a consistently significant and positive impact on raising the odds of winning *total award* and *value award* for the whole sample of claims and for the sub sample of single-claim cases (Table 2-a and Table 2-b, Panels 1 and 2, Models 3 and 4). Claiming compensation is significant in increasing the odds ratio of receiving *total award* in both samples (Table 2-a and Table 2-b, Panels 1, Models 3 and 4). The impact of a compensation claim on increasing the odds receiving a *value* award is significant for both samples, but only when combined with the plaintiff identity variable for the full sample (Table 2-a Panel 2 Model 4, and Table 2-b Panel 2 Model 4).

The introduction of plaintiff's contractor identity, the primary variable of interest, improves model fit and the coefficient is negative and significant indicating that being a contractor reduces a plaintiff's winning odds ratios for *total award* for all claims and single claim cases (Table 2-a and Table 2-b, panel 1, Model 2). However, when plaintiff's identity is included together with interest claim and compensation claims for the full sample, its coefficient becomes insignificant despite improvement in model's fit (Table 2-a- panel 1 and panel 2, Model 4). Plaintiff's contractor-identity effect on reducing award odds ratio is significant for the single cases subsample, even when controlling for interest and compensation claims for both *total award* and *value award* odds. This suggests that the adversarial nature of the two-claim cases dilutes the results for plaintiff identity bias where one plaintiff's positive award necessarily implies a negative outcome for the other plaintiff in a two-claim case.

Plaintiff's contractor identity does not affect odds ratios of a positive compensation or interest award when a plaintiff claims either, with poor model fits and insignificant variable coefficients (Table 2-a and 2-b panel 3). These results are consistent with those of Tables 1-a and 1-b that indicate that there is no association between contractor identity and a positive *interest* or *compensation* award.

The most interesting results in this part of the analysis appear in the case of examining the odds ratio of positive award for *value* claims. Statistically, the results are more or less consistent with Chi-square analysis for lower probability of *value award* for contractors. They are also similar to the results of the logit analysis for *total award* for which an interest claim increases the odds of receiving a total award. However, it is not intuitively clear why a plaintiff does not submit an interest or compensation claim even if he/she does not expect receiving the value claim. The same argument applies for compensation claims.

Therefore, the collective results for the odds of a positive award component of bias show that *total award* and *value award* odds generally favor administrative authorities, with results stronger for the single-claim subsample. The odds of favorable *interest or compensation* in claims for these ancillary demands, on the other hand, are not statistically different between the contractors group and the administrative authorities group, indicating no bias in this respect. The Logit analysis backs the result of bias against contractors in both *total award* and *value awards*. It also provides evidence that including an interest or compensation claim increases the odds ratio of receiving not just a total award (where interest or compensation is a component), but also increases the odds of receiving a positive award for the main claim (value award). This last result is important because it suggests a pattern of case-specific details that plaintiffs realize when filing a claim, which allows them to anticipate an expected outcome that eventually is consistent with the observed courts' ruling patterns. These factors, however, explain, at best, about two-thirds of odds ratio difference

(model's percentage correct statistics in tables 2-a and 2-b). While specific dispute details may play a part in this outcome, it is likely that patterns in court law interpretation and precedents, which administrative authorities may be better equipped to anticipate and factor into the decision of whether or not to file a claim, are likely to cause the remaining observed variation in odds ratios for the two groups. This last influence on observed bias suggests a role for legislative policy to utilize courts' interpretations and precedents to amend the law with the objective of reducing the room and any relative imbalance in the ability of the two groups to anticipate dispute outcomes.

6. Partial Positive Awards

The previous section shows how types of claims and plaintiff identity affect the odds ratio of receiving an overall positive award. However, what percentage of claim value or compensation the court awards, not only the odds of any positive award, can indicate bias (explained or otherwise) towards one group of plaintiffs. Therefore, the focus of this section is on measures of partial awards in cases where the court grants a positive award (i.e., excluding cases where the court does not award the plaintiff any of his/her claims where the notion of a partial award does not apply).

Several points need to be highlighted in order to detect bias in the fraction of award-to-claim that each group can expect to receive. First, as mentioned before, the plaintiff specifies the value that he/she wishes the court to grant or combines it with a claim for a lump sum compensation for harm or damage. Alternatively, the plaintiff may ask for the disputed monetary value and interest of 5 or 4 percent, or just ask for "legal interest." In the case of interest claims, discrepancy between the interest rate that the plaintiff demands and interest award can arise from the court rejecting the claim for interest or from granting a 4 percent interest when the claim is for 5 percent. In addition, while typically interest accrues from the time the plaintiff makes the claim, the court may decide that interest accrues at a different time in the contractual relationship. In all cases, the decision concerning interest is part of the ruling and thus room for discrepancy between claim and award exists.[14]

Because of the multiplicity of claims and the courts' freedom to answer all, part, or none, partial awards have different sources and relate to differences in claims presented. Therefore, to capture how court awards relate to different claim references, I calculate measures of awards relative to several claim references. For the widest measure, I calculate to grand award, which represents the take-home value relative to the total monetary value of the claim at filing time. I calculate value plus compensation award relative to total monetary claim value and value plus compensation as a ratio of the value of the main disputed amount. This latter measure seeks to exclude the potential effect of exaggerated compensation claim on the value of the reward to monetary claim ratio. A similar indicator of value plus interest relates a composite measure of value and interest to the main value monetary claim only, since no specified interest amount can be calculated at time of filing. Finally, I calculate awards corresponding to individual claims (value, interest, compensation) to detect potential bias in the monetary value awarded in each claim type. The resulting list of measures analyzed is:

(1) Grand Award/ Total money claim (%), which is the value + compensation + interest computed up to court ruling date relative to the identified total monetary value of the claim at time of filing (value + lump sum compensation);

[14] Technically, interest continues to apply until complete payment of the amount of the ruling. The analysis in this section calculates interest amount only between claim filing and court ruling. This represents the minimum value of the awarded interest. Delays in execution of court orders add to the total amount of interest for which the defendant is responsible.

(2) Value plus Comp Award/ Total money claim (%), which excludes computed interest from the above measure;
(3) Value plus interest/Value claim (%) which is the value and computed accrued interest up to ruling date relative to value claim only (this measure excludes compensation awards);
(4) Value Award/Value Claim (%), measuring only the fraction of the specified value of the claim that the court granted;
(5) Value plus compensation award/Value claim (%);
(6) Comp Award/ Comp Claim (%); and
(7) Interest Award / Value Claim (%).[15]

Analysis of differences in means shows that plaintiffs receive on average a grand award, including granted interest and compensation, which represents about 70 percent of the total monetary claim filed. They receive a similar fraction if we calculate the value award they receive without interest or compensation as a percentage of the primary disputed value. The ratio of value plus compensation to total monetary claim is 61 percent, which increases to 74 percent if we relate value plus compensation to the disputed value alone. Award plus interest represents 81 percent of the disputed value in cases where plaintiffs submit an interest claim. For ancillary interest and compensation awards, the average ratio to respective claims is only 16.5 percent form compensation and 27 percent (Table 3).

Comparing contractors' and administrative authorities' expected partial awards shows patterns of bias towards administrative authorities and the difference is larger the wider the measure is, reaching as high as 26 percentage points for *grand award to total monetary claim* ratio and as low as 8 percent for value award/value claim. These differences are statistically significant, while differences in what contractors and administrative authorities can expect in compensation and interest awards relative to the respective submitted claim are not statistically significant.

To examine whether dispute characteristics, plaintiff demands, or contractor-plaintiff identity partially contribute to the observed differences in average partial award ratios between contractors and administrative authorities, I conduct OLS regressions for measures where a statistically significant difference exists. For grand award /total monetary claim, I control for interest and compensation claims in separate regressions, contrary to the analysis of Section V on odds award ratios where regressions for various award measures include both. There is no contradiction here since plaintiffs can claim both interest and compensation, but when it comes to award, even in the cases where they claim both, the court will only award one and not both. Table 4 presents the results.

Generally, for this section model ratios of award to the *total monetary* claims exhibit a better model fit for ratios to *value claim*s, where overall model explanatory power is limited. Similar to odds of award, the explanatory power of the model for *grand award to total monetary claim* and for the *value plus compensation award to total monetary claim* submitted improves with the inclusion of interest or compensation in the initial claim. However, a compensation claim here, in contrast to the award odds ratio results, reduces rather than increases the expected ratio. This counter intuitive effect of the compensation claim, which when awarded must increase rather than decrease the ratio, occurs because of the inclusion of the specified monetary compensation claimed in the ratio denominator; a value that contractors tend to exaggerate. In addition, courts do not grant

[15] For the interest award to value claim, while interest applied is either zero (the court does not grant interest), or grants 5 percent (the rate for commercial transactions) or 4 percent (the rate for civil transactions), the court can also decide on the starting date for interest to accrue. In most cases, that date is the date of claim filing, however that does not have to be the case.

compensation unless they can establish a fault and associated harm inflicted on the defendant; a fact that results in many instances in awarding the value claimed but rejecting the accompanying compensation claim.

To exclude how plaintiff's choice of compensation claim value and the likely impact that may have on the award to total monetary claim ratio, I include a regression model for *value plus compensation award to value claim* even when the difference between contractors and administrative authorities expected award in Table 3 is not statistically different. In addition to corroborating lack of statistical difference between contractors and administrative authorities' expected award to claim ratios, results of this regression show that a compensation claim has a positive and statistically significant, rather than negative effect, on the value plus compensation award to value claim ratio. Thus, the effect of a compensation claim on the ratio to value claim becomes similar to that of an interest claim on the ratio of value plus interest to claim value (Table 4 panel 2, model 2 and panel 3, model 1), albeit the coefficient for compensation is smaller.

With respect to the main indictor of interest, contractor-plaintiff identity, regression results show that coefficients are negative and statistically significant for *grand award* and *value plus compensation*/ *total monetary claims* when regressions control for a compensation claims (Table 4, panel 1 models 2 and 3 and panel 2 model 1). The plaintiff-identity coefficient is also negative and significant in the separate value award to separate value claim ratio despite poor model fit in this latter case (Table 4, panel 3 model 2). Plaintiff identity coefficients are negative but statistically insignificant when composite awards are calculated relative to value claims (Table 4, panel 2 model 2, and panel 3 model 1).

Results of this section are complicated by the fact that they are not a binary award/no award outcome similar to results of Section V. There are some patterns to observe, nonetheless. First, administrative authorities receive higher award values relative to claims in combined "wider" measures and in value award to value claim ratios, while the ratio of compensation or interest award to a corresponding compensation or interest claims does not differ along identity line (Table 3 results). Composite award to composite claim ratios indicate a strong negative impact of including a claim for compensation on composite claim ratios and a positive impact of an interest claim. When assessed against the main disputed value of the claim, the effect of either a compensation claim or an interest claim on the expected award to claim ratio is also positive.

Bias against contractors in value award/value claim, suggests that while a small bias in favor of administrative authorities exists, submission of additional claims is responsible for expanding the magnitude of the bias relative to composite award measures. Results also show that for composite measures, compensation claim and plaintiff identity both reduce the expected award to total monetary claims, which supports the detection of bias against contractors in the value award to value claim ratio, but reduces the expected ratio for contractors even further.

7. Dispute Settlement Time

The last indicator of bias in favor of, or against, contractors may manifest itself in the time courts take to resolve disputes. Analyzing whether plaintiff identity affects the expected dispute resolution time follows the same steps of the last two sections. First, the analysis identifies differences in dispute resolution time in contractor-plaintiff vs. administration-plaintiff cases. Then, it proceeds to explore the effect of particular explanatory variables on dispute-settlement time that each group can expect and whether that expected time differs, or does not, depending on who the plaintiff happens to be.

For this section's analysis, variables related to the journey of a particular case in judicial review become important and directly affect dispute settlement time. As a result, the impact of court restructuring becomes more relevant and not just a potential cause for variations in ruling probability or value outcomes. For the fraction of cases where plaintiffs file in one court, steps that the first court takes before transfer of the case to a new court may, or may not, contribute to reducing dispute resolution time in the ruling (final) court. For some of these cases, this pattern resulted only because of the court-restructuring phenomenon that is a one-off historical phenomenon of perhaps only historical interest. In the case of filing at primary (regular) courts first, however, these incidents are more the result of jurisdictional ambiguity that is linked to the rationale of having the two-court system itself, and are likely to continue to add to the average time of dispute settlement in the future.

To capture actual and counterfactual assessment of the time needed to resolve disputes related to Government Tenders and Bids Law in court, I use two indicators: *yearsinclusive* and *yearslastadmin*. The former accounts for the actual time that the case spends in court from the time of filing the claim at the first court; whichever it may be. *Yearslastadmin* only accounts for the time that the last (ruling) court takes to hear the case and issue the ruling (i.e., not including the time that the case spent before reaching the final ruling court). Table 5 presents differences in dispute resolution time means (in years) for contractors and administrative bodies for these two measures and splits samples and by single- vs. two-claim dimensions (Table 5, Panels 1-2). Contractor-plaintiff cases have a shorter dispute settlement average. This difference is highest in last (ruling) administrative court dispute resolution time for single claim cases (1.44 years, or 1 year and 5 months) and lowest (approximately 1 year) in total time (*yearsinclusive*) for all cases. While this may indicate that perhaps contractors (as private parties) may be more eager to expedite dispute resolution, it may also be a higher incidence of contractor cases that courts dismiss upon presentation. A closer inspection of the zero award cases will be necessary to detect the origin of the shorter time that contractor cases take to be resolved and what part early dismissal of a claim may play in the shorter average dispute time for contractor-plaintiff cases. The rest of this section's analysis explores factors that may lie behind these differences in means, as they are significant in all four cases: the two measures for both all cases and single-claim cases only.

Panels 3 and 4 of Table 5 examine if there is an association between being part of a 2-claim case or the case filed in a prior court and the expected dispute settlement time. It is important to note two interesting results. First, 2-claim cases take 0.87 of a year (10.5 months) longer to reach a court ruling and 1.08 year (13 months) longer at the final court phase (*yearslastamdin*). On the other hand, claim filing in a court that does not ultimately produce the ruling (whether primary court or a different administrative court) is associated with an increase of 2.66 years (2 years and 8 months) for *total dispute* resolution time. The type of the prior court (primary or administrative) does not affect the difference.

Table 6 panel 1 and panel 2 present regression results of examining which variables contribute, or contribute the most, to dispute settlement time, as measured by both indicators: *yearsinclusive* and *yearslastadmin*. Addressing the main concern of the paper that contractors may be facing less favorable conditions than government bodies when dealing with judicial review, the analysis adds contractor-plaintiff identity in regressions and estimates whether a contractor-plaintiff's case is likely to spend more time in court.

Before exploring the main point of focus of the analysis, which is whether contractor plaintiffs and administrative-body plaintiffs face different expected dispute settlement time, many interesting

results shed light on which explanatory variables affect dispute resolution time in general, in which direction, and by what magnitude. The following bullet points briefly highlight the main results:

(1) The average length of time that a Government Tenders and Bids Law dispute takes in court is between 6.06 and 6.92 years (6 years and 1 month to 6 years and 11 months), for single claim cases only the difference between average dispute resolution time between contractors and administrative authorities is larger for total and last court ruling time.

(2) Two-claim cases in general, irrespective of plaintiff identity, add 0.87 and 1.08 years to dispute resolution time for *yearsinclusive* and *yearslastadmin* indicators respectively, while filing in a court prior to the ruling court adds 2.66 years to the total dispute resolution time. All dispute resolution-time differences are statistically significant.

(3) The type of prior court (primary or prior administrative court) does not produce a difference in expected dispute resolution averages.

(4) Exogenous variables such as applicable law and size of government activity in the economy play a role in dispute settlement time, when they did not affect award outcomes in sections V and VI.

(5) Dispute resolution time for Cairo and Alex courts is less by about two months for both the whole sample and the single-claim sub-sample. A simple explanation exists for the shorter total time *(yearsinclusive)* for Cairo and Alex cases is that because court restructuring typically resulted in transfer of cases to newly established regional courts from the older Cairo and Alex courts, final (ruling courts) needed additional time to study and decide in these cases. The negative (and statistically significant) impact of belonging to the Cairo-Alex group, however, exists also in ruling court resolution time (*yearslastadmin*). The concentration of larger firms and larger central government bodies in these two cities can be responsible for more effective dispute navigation on the parts of litigants. This is a speculative hypothesis that requires support.

(6) Model fit is higher for regressions in this section compared to the analysis in the last two sections as this section's results relate probably more to the process and the bureaucratic pace of court dispute settlement and less to the dispute substance and details.

(7) The impact of filing in a prior court, as expected, adds to total dispute resolution time, if the prior court is a primary (regular) court. The magnitude of the delay in resolution time that originates from a primary court filing is on average twice that of prior administrative court filing except for the single claim cases where the effect of filing in either court on extending dispute resolution time is comparable.

(8) A result that relates to point (7) above is the fact that filing in a primary court has no impact on last court dispute time across the board. Conversely, the time a ruling court spends to resolve a claim that started in one administrative court before reaching the ruling court is 0.14 to 0.16 of a year shorter (7-8 weeks), on average. This is understandable because it is likely that the ruling administrative court benefits from some groundwork that the prior administrative court initiated. It is unlikely that primary courts proceed with investigation of the case due to clear lack of jurisdiction in many cases.

When focusing on the main point of interest, which is whether there is bias against contracts in this measure, the following bullets summarize the results for dispute resolution time:

(1) Contractor-plaintiff cases take less time in court. Coefficient of plaintiff identity is always negative and significant in dispute settlement time, reducing it by between 0.12 and 0.18 for total time (*yearsinclusive*) and for ruling court time (*lastadminyears*), respectively.

(2) The effect of filing a non-monetary claim on total dispute time or dispute time for the last (ruling) administrative court is negative and significant, ranging from 7- 11 weeks depending on the measure. This case materializes when contractor litigants demand reversal of a decision of the contracting government, such as confiscation of machinery and tools, for example.

(3) Results that exclude non-monetary contractor claims still support the shorter dispute time for contractor-initiated claims for both inclusive and last-court dispute resolution time. Closer evaluation of incidence of case dismissals, for contractors and administration claims, which significantly reduces dispute resolution time, will be necessary to explore the existence and impact of case dismissals on average dispute-resolution time for each group. Excluding cases of last administrative court rulings taking less than 6 months, which indicates a likely dismissal of the case and which is more frequent in the case of contractors, still does not eliminate the difference in dispute resolution time for contractors relative to administrative authorities. It only reduces the difference from 1.44 years for single-claim cases to 1.35 years and for full sample from 1.2 to 1.18 years. Annex tables do not report these last results.

For results of this section, while evidence that contractor-initiated claims do not entail a longer dispute average is important from the perspective of detecting court biases, it may be equally important to focus on parameters that add to the dispute resolution time irrespective of who the plaintiff is. Estimating how long it takes a dispute to resolve in court represents a transaction costs aspect that both parties bear in addition to time-cost of money component of the probability of receiving interest and compensation awards V and VI. As long as legal interest rate (when awarded) is lower than market rate for borrowers, dispute settlement time represents a subsidy from the party that ultimately receives the favorable ruling to the other. From the administrative bodies' side, it is not clear how delayed collection of contractors' debts affects public project finance and whether a delayed collection from the original contractor translates into a delayed payment to another contractor. It is likely that contractors factor an estimated added cost of either contingency when bidding for public contracts, raising the cost of government procurement in general.

8. Result Interpretation and Discussion

Analysis of the previous sections indicates that bias favoring administrative authorities exists as measured by higher award odds ratios and a higher fraction of the value of award to claim when the plaintiff is an administrative authority as opposed to when the plaintiff is a private contractor. Inclusion of interest and compensation claims explains part but not all observed differences in bias measures. On the other hand, bias in dispute resolution time, as measured by a shorter expected dispute resolution time favors contractor-initiated claims. The results show that for individual interest or compensation claims, no bias exists in either direction for both odds of award or award to claim values.

Exogenous or dispute feature variables such as law change, geographic location, and claim size variables have negligible effects on award measures but are important in explaining the shorter expected dispute time for contractor claims. Interest and compensation claims that plaintiffs include when filing the main disputed value claim are important in explaining perceived differences in both odds of award and award to claim ratios but do not eliminate pro-administration bias.

The role of compensation and interest claims in explaining award odds and size relative to claims suggests that plaintiffs are able to judge which disputed values qualify for an accompanying compensation and/or interest claim, with comparable degrees of success (similar interest and compensation claim coefficients in tables 2-a and 2-b, panels 1 and 2). Obviously, this depends on

plaintiffs' understanding of the specifics of the claimed right, associated range for application rules, and the room that courts enjoy in qualification assessment. Litigants from both groups are more capable of predicting the probability of interest award compared to their ability to predict a compensation award, as evidenced by higher observed award numbers for interest vs. compensation in Table 1-a and 1-b cells 2-1 and 2-2).

For award to claim value ratios in general, results are more complicated, but overall administrative authorities can expect a higher award to claim ratio in composite and value award measure, while that is not the case for the ratio of composite awards as measured against the claim of the main disputed value. A compensation claim reduces the value plus compensation award to total monetary, while it increases the ratio of a value plus compensation award relative to the main disputed value claim, irrespective of plaintiff identity; an effect that is comparable to an interest claim on the value plus interest award measure.

Here, it is important to emphasize that post-contractual disputes in the context of Government Tenders and Bids law relate in most cases to an administrative authority's exercise of a discretionary power that the law grants, provoking contractors to challenge in court the legitimacy of exercising this authority in the particular context. Similarly, the administrative authority's claim filing in court is typically to acquire a court ruling that allows it to collect from contractors the cost of added obligations that it suspects that the law justifies. In both cases, predicting the expected claim outcome is difficult where wide discretion exists as opposed to when the law details procedural-type rules. Thus, why plaintiffs refrain from claiming interest or compensation is likely to be closely associated with unbalanced rights and obligations that the law gives to administrative bodies and less so with the behavior of plaintiffs or courts in the judicial dispute phase. At the same time, lack of clarity beforehand on specific parameters governing exercise of rights because of wide discretionary ranges creates room for contestation of decisions leading to claim filing. The interaction of multiple claims with varying odds of award for each complicates further the composite award to claim results, despite the detected bias against contractors in the award to claim ratio of the main disputed value claim and the continued impact of interest and compensation claims on expected award to claim ratios.

Results of the analysis of judicial review bias, or lack thereof, in the discretionary space of Government Tenders and Bids law have implications on several levels. First, they provide areas where changes may be necessary to the law itself or in other general legal principles, to reduce the potential for bias whether originating from laws' biased allocation of rights to government authorities, or from the law's delegation of wide discretion to government authorities. Second, with government's efforts to expand private investment in infrastructure, and to simplify business regulation for private business in general, an assessment of the role of judicial review in Government Tender and Bids disputes can highlight strengths and weaknesses of the overall judicial review process as it relates to other economic regulation legislation. Third, signs of imbalance between administrative authorities' and contractors' chances in court judicial review discourage otherwise effective public-private business and create incentives for resorting to arbitration and crony business deals; options that are not equally available to all contractors and that tend to undermine the role that mainstream courts play in protecting contracting parties' rights in a market economy.

9. Conclusion, Policy Implications, and Issues for Further Research

This work represents, to my knowledge, the first quantitative analysis of judicial review of disputes related to economic legislation in Egypt. For whatever its worth, and even if the results apply only

to Government Tenders and Bids law, the ability to quantify issues related to actual court cases introduces an objective and pragmatic means of dealing with business environment weaknesses.

Another conclusion is the fact that this research only scratches the surface. In addition to quantifying indicators from actual dispute outcomes, the paper touches on legislative philosophy and explores the potential that studying judicial review of law application can contribute to addressing problems in the transparency and predictability of the business environment in general and state-business relations in particular. The goal is to establish parameters against which to measure law outcomes and weigh different law objectives, allowing patterns in dispute outcomes to feed into and educate the process of law amendment and modification.

From the administrative courts' side, the current analysis shows that the details of each dispute play an important role in its outcome (low model fits in the results reflect this fact) even in the context of a primarily procedural law. In other contexts, where sector or activity nature require larger room for regulatory discretion, administrative courts' role as protectors of "public interest" must be consistent with promoting a fair and predictable investment environment and reducing unnecessary risk that results from discretionary government behavior. This is not just a justice and fairness principle, it is a principle that increases competition for government projects and ensures best allocation of public investment resources.

Finally, the potential for further research in this topic is infinite. Several immediate extensions are obvious. The first extension is to expand the scope towards assessing judicial review of proper regulatory roles of government, such as licensing for example, and compare how outcomes for contractors in these relationships may differ than in the tenders and bids law. Second, one can take a closer look at dispute details that are responsible for plaintiffs' choice of claims and what drives claim choice to start with. Another extension is to address the potential for strategic behavior and apply game-theory tools, especially with litigant size, resources, and access to information differences that may not always be in the direction of a stronger administrative body.

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Appendix 1: Statistical Analysis Tables

Table 1-a: Crosstabulation of Awards and Contractor Claim Association- All Claims

Cell 1-1 **Total Award * Contractor Claim**

			Contractor Claim 0	Contractor Claim 1	Total
Total Award	0	Count	44	130	174
		Expected	52	122	174
	1	Count	97	201	298
		Expected	89	209	298
Total		Count	141	331	472
		Expected	141	331	472

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)
Pearson Chi-Square	**2.766***	1	0.096	
Fisher's Exact Test				0.118

Symmetric Measures

	Value	Approx. Sig.
Phi	-0.077	0.096
Cramer's V	0.077	0.096

Cell 1-2 **Value Award * Contractor Claim**

			Contractor Claim 0	Contractor Claim 1	Total
Value Award	0	Count	42	106	148
		Expected	49	99	148
	1	Count	94	166	260
		Expected	87	173	260
Total		Count	136	272	408
		Expected	136	272	408

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)
Pearson Chi-Square	2.566	1	0.109	
Fisher's Exact Test				0.126

Symmetric Measures

	Value	Approx. Sig.
Phi	-0.079	0.109
Cramer's V	0.079	0.109

Cell 2-1 **Compensation Award*Contractor Claim**

			Contractor Claim 0	Contractor Claim 1	Total
Comp Award	0	Count	10	66	76
		Expected	9	67	76
	1	Count	4	43	47
		Expected	5	42	47
Total		Count	14	109	123
		Expected	14	109	123

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)
Pearson Chi-Square	0.622	1	0.430	
Fisher's Exact Test				0.564

Symmetric Measures

	Value	Approx. Sig.
Phi	0.071	0.430
Cramer's V	0.071	0.430

Cell 2-2 **Interest Award*Contracotr Claim**

			Contractor Claim 0	Contractor Claim 1	Total
Interest Award	0	Count	41	47	88
		Expected	43	45	88
	1	Count	57	54	111
		Expected	55	56	111
Total		Count	98	101	199
		Expected	98	101	199

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)
Pearson Chi-Square	0.445	1	0.505	
Fisher's Exact Test				0.569

Symmetric Measures

	Value	Approx. Sig.
Phi	-0.047	0.505
Cramer's V	0.047	0.505

* statitical significance at the 90% confidence level.

Table 1-b: Crosstabulation of Awards and Contractor Claim Association- Single Claim Cases

Cell 1-1 **Total Award * Contractor Claim**

			Contractor Claim 0	Contractor Claim 1	Total
Total Award	0	Count	18	108	126
		Expected	30	96	126
	1	Count	70	170	240
		Expected	58	182	240
Total		Count	88	278	366
		Expected	88	278	366

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)
Pearson Chi-Square	**10.018*****	1	0.002	
Fisher's Exact Test				0.002

Symmetric Measures

	Value	Approx. Sig.
Phi	**-0.165**++	0.002
Cramer's V	**0.165**++	0.002

Cell 1-2 **Value Award * Contractor Claim**

			Contractor Claim 0	Contractor Claim 1	Total
Value Award	0	Count	20	86	106
		Expected	29	77	106
	1	Count	68	143	211
		Expected	59	152	211
Total		Count	88	229	317
		Expected	88	229	317

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)
Pearson Chi-Square	**6.279****	1	0.012	
Fisher's Exact Test				0.012

Symmetric Measures

	Value	Approx. Sig.
Phi	-0.141	0.012
Cramer's V	0.141	0.012

Cell 2-1 **Compensation Award*Contractor Claim**

			Contractor Claim 0	Contractor Claim 1	Total
Comp Award	0	Count	2	49	51
		Expected	2	49	51
	1	Count	2	37	39
		Expected	2	37	39
Total		Count	4	86	90
		Expected	4	86	90

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)
Pearson Chi-Square	0.076	1	0.783	
Fisher's Exact Test				**1**

2 cells (50.0%) have expected count less than 5.

Symmetric Measures

	Value	Approx. Sig.
Phi	-0.029	0.783
Cramer's V	0.029	0.783

Cell 2-2 **Interest Award*Contracotr Claim**

			Contractor Claim 0	Contractor Claim 1	Total
Interest Award	0	Count	30	41	71
		Expected	31	40	71
	1	Count	39	49	88
		Expected	38	50	88
Total		Count	69	90	159
		Expected	69	90	159

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)	Exact Sig. (2-sided)
Pearson Chi-Square	0.068	1	0.794	
Fisher's Exact Test				0.872

Symmetric Measures

	Value	Approx. Sig.
Phi	-0.021	0.794
Cramer's V	0.021	0.794

, * statistical significance at 95% and 99% confidence, respectively. ++ indicates weak, or minimum acceptable association.

Table 2 a : Variables Affecting the Odds of Positive Award for -All Cases- Different Measures

Panel 1: Dependent Variable: Total Award (1/0), binary logit
N = 468- Percentage correct- constant only = 63.2

	Model (1)				Model (2)				Model (3)				Model (4)			
Explanatory Variables																
	B	Wald	Sig.	Exp(B)	B	Wald	Sig.	Exp(B)	B	Wald	Sig.	Exp(B)	B	Wald	Sig.	Exp(B)
Constant	0.61	15.97	0.00	1.83	0.99	17.52	0.00	2.68	0.16	0.76	0.38	1.17	0.41	2.12	0.15	1.51
ValueClaim/GDPPrcpta	0.00	1.14	0.29	1.00	0.00	1.13	0.29	1.00	0.00	0.62	0.43	1.00	0.00	0.64	0.42	1.00
Law 263-10	-0.21	0.51	0.48	0.81	-0.20	0.46	0.50	0.82	-0.20	0.45	0.50	0.81	-0.21	0.47	0.49	0.81
CairoAlex-10	0.17	0.68	0.41	1.18	0.15	0.57	0.45	1.16	0.06	0.07	0.78	1.06	0.05	0.06	0.80	1.05
2-Claim Case-10	-0.47	4.08	0.04	0.63**	-0.59	6.04	0.01	0.55**	-0.45	3.65	0.06	0.63*	-0.54	4.66	0.03	0.58**
CompClaim-10									0.54	5.21	0.02	1.71**	0.59	6.06	0.01	1.80**
Interest Claim-10									0.92	18.84	0.00	2.51***	0.83	13.57	0.00	2.29***
Contractor Claim-10					**-0.48**	**4.65**	**0.03**	**0.62****					**-0.29**	**1.38**	**0.24**	**0.74**
Model Chi Square	7.06				**11.85****				**28.86*****				**30.25*****			
df	4				5				6				7			
Sig.	0.13				0.04				0.00				0.00			
Cox and Snell Psuedo R^2	0.02				0.03				0.06				0.06			
Nagelkerke Psuedo R^2	0.02				0.03				0.08				0.09			
Model's Percentage Correct	63.7				63.5				65.4				65.2			

Panel 2: Dependent Variable: Value Award (1/0), binary logit
N = 404 - Percentage correct- constant only = 63.9

	Model (1)				Model (2)				Model (3)				Model (4)			
Explanatory Variables																
	B	Wald	Sig.	Exp(B)	B	Wald	Sig.	Exp(B)	B	Wald	Sig.	Exp(B)	B	Wald	Sig.	Exp(B)
Constant	0.77	21.85	0.00	2.17	1.15	21.81	0.00	3.17	0.35	3.11	0.08	1.41	0.64	4.79	0.03	1.90
ValueClaim/GDPPrcpta	0.00	1.03	0.31	1.00	0.00	0.98	0.32	1.00	0.00	0.49	0.49	1.00	0.00	0.49	0.48	1.00
Law 263-10	-0.09	0.07	0.79	0.92	-0.09	0.07	0.79	0.92	-0.08	0.06	0.81	0.92	-0.10	0.08	0.78	0.91
CairoAlex-10	-0.10	0.22	0.64	0.90	-0.12	0.32	0.57	0.88	-0.24	1.07	0.30	0.79	-0.24	1.13	0.29	0.78
2-Claim Case-10	-0.49	3.76	0.05	0.62*	-0.61	5.49	0.02	0.54**	-0.46	3.15	0.08	0.63*	-0.56	4.28	0.04	0.57**
CompClaim-10									0.43	2.64	0.10	1.54	0.52	3.59	0.06	1.68*
InterestClaim-10									0.86	14.97	0.00	2.36***	0.76	10.61	0.00	2.13***
Contractor Claim-10					**-0.50**	**4.54**	**0.03**	**0.61****					**-0.36**	**1.87**	**0.17**	**0.70**
Model Chi Square	6.90				**11.58****				**23.4*****				**25.29*****			
df	4				5				6				7			
Sig.	0.14				0.04				0.00				0.00			
Cox and Snell Psuedo R^2	0.02				0.03				0.06				0.06			
Nagelkerke Psuedo R^2	0.02				0.04				0.08				0.08			
Model's percentage correct	63.9				63.6				66.3				65.6			

Panel 3: Compensation Award in Comp Claim Cases
N = 123 - Percentage correct- constant only = 61.8
Dependent Variable: Comp Award (1/0), binary logit
Explanatory Variables

	B	Wald	Sig.	Exp(B)
Constant	-0.26	0.13	0.72	0.77
ValueClaim/GDPPrcpta	0.00	0.05	0.82	1.00
Law 263-10	-0.36	0.41	0.52	0.70
CairoAlex-10	0.14	0.12	0.73	1.15
2-Claim Case-10	-0.88	2.75	0.10	0.41
Contractor Comp Claim-10	**-0.02**	**0.00**	**0.97**	**0.98**
Contractor Intrst Claim-10				
Model Chi Square	4.53			
df	5			
Sig.	0.48			
Cox and Snell Psuedo R^2	0.04			
Nagelkerke Psuedo R^2	0.05			
Model's percentage correct	61.8			

Interest Award in Interest Claim Cases
N = 198 - Percentage correct- constant only = 55.6
Dependent Variable: Interest Award (1/0), binary logit
Explanatory Variables

	B	Wald	Sig.	Exp(B)
Constant	0.68	5.22	0.02	1.96
ValueClaim/GDPPrcpta	0.00	0.43	0.51	1.00
Law 263-10	-0.43	0.80	0.37	0.65
CairoAlex-10	-0.55	3.19	0.07	0.58*
2-Claim Case-10	0.22	0.28	0.60	1.24
Contractor Comp Claim-10				
Contractor Intrst Claim-10	**-0.14**	**0.22**	**0.64**	**0.87**
Model Chi Square	5.50			
df	5			
Sig.	0.36			
Cox and Snell Psuedo R^2	0.03			
Nagelkerke Psuedo R^2	0.04			
Model's percentage correct	55.1			

Significance for Wald stitstics, Chi-sq distribution, df=1

*, **, *** indicate Wald or Chi-Square statistic significance at the 90%, 95%, and 99% confidence levels

Table 2 b : Variables Affecting the Odds of Positive Award for -Single claim cases- Different Measures

Panel 1: Dependent Variable: Total Award (1/0), binary logit

N = 366- Percentage correct- constant only = 65.7

	Model (1)				Model (2)				Model (3)				Model (4)			
Explanatory Variables																
	B	Wald	Sig.	Exp(B)	B	Wald	Sig.	Exp(B)	B	Wald	Sig.	Exp(B)	B	Wald	Sig.	Exp(B)
Constant	0.66	17.09	0.00	1.94	1.39	22.28	0.00	4.00	0.23	1.47	0.23	1.26	0.93	7.39	0.01	2.54
ValueClaim/GDPPrcpta	0.00	0.79	0.37	1.00	0.00	0.77	0.38	1.00	0	0.35	0.56	1.00	0.00	0.41	0.52	1.00
Law 263-10	-0.19	0.30	0.58	0.82	-0.16	0.21	0.65	0.85	-0.22	0.38	0.54	0.80	-0.22	0.37	0.54	0.80
CairoAlex-10	0.05	0.04	0.84	1.05	0.01	0.00	0.96	1.01	-0.1	0.18	0.67	0.90	-0.11	0.20	0.66	0.90
CompClaim-10									0.61	4.70	0.03	1.83**	0.73	6.72	0.01	2.08***
Interest Claim-10									0.89	13.29	0.00	2.43***	0.65	6.40	0.01	1.92**
Contractor Claim-10					**-0.90**	**9.44**	**0.00**	**0.41*** **					**-0.80**	**6.26**	**0.01**	**0.45*** **
Model Chi Square	1.54				**11.98***				**17.74****				**24.36*****			
df	3				4				5				7			
Sig.	0.67				0,018				0.03				0.00			
Cox and Snell Psuedo R^2	0.00				0.03				0.05				0.07			
Nagelkerke Psuedo R^2	0.01				0.05				0.07				0.09			
Model's Percentage Correct	65.7				66.0				66.0				66.9			

Panel 2: Dependent Variable: Value Award (1/0), binary logit

N = 313 - Percentage correct- constant only = 66.8

	Model (1)				Model (2)				Model (3)				Model (4)			
Explanatory Variables																
	B	Wald	Sig.	Exp(B)	B	Wald	Sig.	Exp(B)	B	Wald	Sig.	Exp(B)	B	Wald	Sig.	Exp(B)
Constant	0.78	20.03	0.00	2.17	1.33	20.89	0.00	3.80	0.41	3.89	0.05	1.51	0.95	7.76	0.01	2.59
ValueClaim/GDPPrcpta	0.00	0.90	0.34	1.00	0.00	0.84	0.36	1.00	0.00	0.46	0.50	1.00	0.00	0.49	0.48	1.00
Law 263-10	-0.04	0.01	0.92	0.96	-0.02	0.00	0.97	0.98	-0.05	0.02	0.90	0.95	-0.05	0.01	0.90	0.95
CairoAlex-10	-0.12	0.22	0.64	0.89	-0.16	0.42	0.52	0.85	-0.28	1.19	0.28	0.75	-0.29	1.26	0.26	0.75
CompClaim-10									0.46	2.08	0.15	1.58	0.58	3.27	0.07	1.79*
InterestClaim-10									0.75	8.54	0.00	2.12***	0.58	4.56	0.03	1.78**
Contractor Claim-10					**-0.72**	**6.14**	**0.01**	**0.49****					**-0.64**	**4.11**	**0.04**	**0.53****
Model Chi Square	1.68				**8.23**				**11.6***				**15.81****			
df	3				4				5				6			
Sig.	0.64				0.08				0.04				0.02			
Cox and Snell Psuedo R^2	0.01				0.03				0.04				0.05			
Nagelkerke Psuedo R^2	0.01				0.04				0.05				0.07			
Model's percentage correct	66.8				67.1				66.3				67.4			

Panel 3: Compensation Award in Comp Claim Cases

N = 90 - Percentage correct- constant only = 56.7

Dependent Variable: Comp Award (1/0), binary logit

Explanatory Variables

	B	Wald	Sig.	Exp(B)
Constant	0.12	0.01	0.91	1.13
ValueClaim/GDPPrcpta	0.00	0.34	0.56	1.00
Law 263-10	-0.39	0.39	0.53	0.68
CairoAlex-10	0.11	0.06	0.80	1.12
Contractor Comp Claim-10	**-0.35**	**0.11**	**0.74**	**0.71**
Contractor Intrst Claim-10				
Model Chi Square	0.93			
df	4			
Sig.	0.92			
Cox and Snell Psuedo R^2	0.01			
Nagelkerke Psuedo R^2	0.01			
Model's percentage correct	55.6			

Interest Award in Interest Claim Cases

N = 158 - Percentage correct- constant only = 55.1

Dependent Variable: Interest Award (1/0), binary logit

Explanatory Variables

	B	Wald	Sig.	Exp(B)
Constant	0.54	3.00	0.08	1.72
ValueClaim/GDPPrcpta	0.00	0.02	0.89	1.00
Law 263-10	-0.57	1.10	0.29	0.57
CairoAlex-10	-0.42	1.59	0.21	0.66
Contractor Intrst Claim-10	**-0.05**	**0.03**	**0.87**	**0.95**
Model Chi Square	3.17			
df	4			
Sig.	0.53			
Cox and Snell Psuedo R^2	0.02			
Nagelkerke Psuedo R^2	0.03			
Model's percentage correct	56.3			

Significance for Wald stitstics, Chi-sq distribution, df=1

*, **, *** indicate Wald or Chi-Square statistic significance at the 90%, 95%, and 99% confidence levels

Table 3- Awards to Claim Ratios, Means and Mean Differences between Contractors and Administration, Positive Rulings Cases Only

	Plaintiff	N	Mean	Mean Difference	t-statistic
Grand Award / TotalmoneyClaim (%)	Contractor	189	61.4	-26.26***	-4.89
	Administration	97	87.7		
	All	286	70.3		
Value plus Comp Award/ TotalmoneyClaim (%)	Contractor	189	54.5	-19.42***	-4.77
	Administration	97	73.9		
	All	286	61.1		
Value plus Inerest Award/ Value Claim (%)	Contractor	170	76.4	-13.62**	-2.54
	Administration	97	90.0		
	All	267	81.3		
Value Award/ ValueClaim (%)	Contractor	170	67.7	-7.92*	-1.95
	Administration	96	75.7		
	All	266	70.6		
ValuePlusCompAward/ ValueClaim (%)	Contractor	170	73.2	-2.76	-0.465
	Administration	96	76.0		
	All	266	74.2		
Comp Awarded/ Compclaim (%) (Comp Claim Cases)	Contractor	77	14.8	-19.89	-1.13
	Administration	7	34.7		
	All	84	16.5		
Interest Awarded/ Value Claim (%) (Interest Claim Cases)	Contractor	71	27.4	0.21	0.05
	Administration	77	26.9		
	All	148	27.0		

*, **, *** statistical significance at the 90% , 95% and 99% confidence levels, respectively

Table 4: Factors Affecting Award to Claim Ratios, Positive Award Cases Only, Different Measures

Panel 1:

GrandAward/TotalmoneyClaim (%)

	Model (1)			**Model (2)**			**Model (3)**		
	B	Beta	t	B	Beta	t	B	Beta	t
Constant	74.71		17.8	94.12		18.5	73.51		10.4
ValueClaim/GDPPrcpta	0.00	0.02	0.3	0.00	0.00	0.0	0.00	0.03	0.5
Law 263	-4.12	-0.03	-0.5	2.52	0.02	0.3	-3.00	-0.02	-0.4
CairoAlex10	-6.30	-0.07	-1.1	-5.24	-0.06	-1.1	-8.05	-0.09	-1.5
2-Claim Cases10	-1.77	-0.02	-0.2	-1.18	0.01	0.2	-4.22	-0.04	-0.6
Comp Claim10				-45	-0.45***	-8.1			
Interest Claim10							25.60	0.28***	4.6
Contractor OverallClaim10				**-11.3**	**-0.12****	**-2.1**	**-16.25**	**-0.17*****	**-2.8**
N	285			285			285		
Adjusted R Square	-0.01			0.24			0.13		

Panel 2:

	Model (1)			**Model (2)**		
	ValuePlusCompAward/TotalMoney Claim (%)			**ValuePlusCompAward/ValueClaim (%)**		
	B	Beta	t	B	Beta	t
Constant	79.9		19.8	78.13		11.04
ValueClaim/GDPPrcpta	0.00	0.030	0.6	-0.00	-0.05	-0.8
law263	4.86	0.042	0.8	-2.82	-0.02	-0.30
CairoAlex10	-3.77	-0.05	-1.0	1.62	0.01	0.23
2-Claim Cases10	-6.49	-0.07	-1.3	-12.47	-0.01	-1.40
CompClaim10	-38.3	-0.48**	-8.6	17.49	0.14**	2.10
Contractor OverallClaim10	**-7.19**	**-0.09***	**-1.7**	**-8.81**	**-0.08**	**-1.2**
N	285			264		
Adjusted R Square	0.26			0.03		

Panel 3:

	Model (1)			**Model (2)**		
	ValuePlusInterestAward/ValueClaim (%)			**ValueAward/ValueClaim (%)**		
	B	Beta	t	B	Beta	t
Constant	78.39		11.4	79.18		17.9
ValueClaim/GDPPrcpta	0.00	0.01	0.2	0.00	0.02	0.3
law263	0.54	0.00	0.1	2.05	0.02	0.3
CairoAlex10	-5.62	-0.07	-1.1	-1.84	-0.03	-0.4
2-Claim Cases10	-8.05	-0.08	-1.2	-10.52	-0.13*	-1.9
Interest Claim10	21.50	0.25***	3.9			
Contractor OverallClaim10	**-6.56**	**-0.07**	**-1.15**	**-8.88**	**-0.13****	**-2.0**
N	266			265		
Adjusted R Square	0.07			0.01		

*, **, *** statistical significance at the 90% , 95% and 99% confidence levels, respectively

B and Beta are the unstandardized and standardized regression coefficients, respectively

Table 5- Difference in Mean Dispute Resolution Time in Years, Several Comparisons

		N	Mean	Mean Difference	t-statistic
Panel 1					
All cases, Yearsinclusive	Contractor	331	6.63	-0.98***	-2.7
	Administration	141	7.61		
	All	472	6.92		
All cases, Last Admin Court	Contractor	331	5.70	-1.20***	-3.8
	Administration	141	6.91		
	All	472	6.06		
Panel 2					
Single Claim Cases, Yearsinclusive	Contractor	278	6.45	-1.18***	-2.7
	Administration	88	7.62		
	All	366	6.73		
Single Claim Cases, Last Admin Court	Contractor	278	5.47	-1.44***	-3.9
	Administration	88	6.91		
	All	366	5.82		
Panel 3					
All cases, Yearsinclusive	2-claim	106	7.60	0.87**	2.2
	single Claim	366	6.73		
	All	472	6.92		
All cases, Last Admin Court	2-claim	106	6.90	1.08***	2.8
	single claim	366	5.82		
	All	472	6.06		
Panel 4					
All cases, Yearsinclusive	Prim or Prior Admin	140	8.80	2.66***	7.75
	No Prime or Prior Admin	332	6.13		
	All	472	6.92		
Prior Court, Yearsinclusive	Prime	92	8.70	-0.28	0.44
	Prior Admin	48	8.98		
	Either	140	8.80		

,* denotes statistical significance at the 90%, 95%, and 99% confidence level

Table 6: Factors Affecting Judicial Dispute Resolution Time (years)

Panel A: All Cases

	Total time			**Ruling (last) court dispute resolution time**		
OLS: Dependent Variable:	**Yearsinclusive**			**LastAdminCourtYears**		
	B	Beta	t	B	Beta	t
(Constant)	-22.47		-7.5	-15.59		-5.4
StartyearGconGDPSqRt	8.21	0.47***	10.2	6.34	0.41***	8.3
Law 263	-3.08	-0.27***	-5.9	-2.54	-0.25***	-5.1
PrimeCourtStart10	2.34	0.26***	6.3	-0.21	-0.03	-0.6
PriorAdminCourtStart10	1.86	0.16***	3.7	-1.63	-0.16***	-3.4
CairoAlex10	-1.47	-0.20***	-4.6	-1.31	-0.2***	-4.3
NonMonetaryClaim10	-2.23	-0.14***	-3.4	-2.38	-0.16***	-3.8
TotalNoofClaims	0.06	0.02	0.3	-0.06	-0.02	-0.3
2-Claim Case10	0.45	0.05	1.0	0.90	0.12**	2.0
ValueClaim/GDPPrcpta	0.00	0.13***	3.3	0.00	0.14***	3.3
Contractor-OverallClaim10	**-0.97**	**-0.12*** **	**-3.0**	**-0.89**	**-0.13*** **	**-2.9**
N	463			463		
Adjusted R Square	0.33			0.21		

Panel B: Single-Claim Cases Only

	Total time			**Ruling (last) court dispute resolution time**		
OLS: Dependent Variable:	**Yearsinclusive**			**LastAdminCourtYears**		
	B	Beta	t	B	Beta	t
(Constant)	-16.67		-4.4	-8.04		-2.3
StartyearGconGDPSqRt	6.89	0.39***	6.9	4.50	0.30***	4.8
Law 263	-2.82	-0.24***	-4.4	-2.10	-0.21***	-3.4
PrimeCourtStart10	2.49	0.28***	5.9	-0.33	-0.04	-0.8
PriorAdminCourtStart10	1.69	0.14***	3.0	-1.45	-0.14***	-2.8
CairoAlex10	-1.30	-0.18***	-3.8	-1.17	-0.19***	-3.6
NonMonetaryClaim10	-2.38	-0.17***	-3.6	-2.58	-0.21***	-4.2
TotalNoofClaims	-0.33	-0.06	-1.2	-0.42	-0.08	-1.6
ValueClaim/GDPPrcpta	0.00	0.12***	2.6	0.00	0.12***	2.4
Contractor-OverallClaim10	**-1.52**	**-0.18*** **	**-3.9**	**-1.27**	**-0.18*** **	**-3.4**
N	357			357		
Adjusted R Square	0.32			0.17		

*,**,*** denote statistical significance at the 90%, 95%, and 99% confidence level.

Regressions excluding cases with only a non-monetary demand produce comparable results for both yearsinclusive and yearslastadmin dependent variables

B and Beta are the unstandardized and standardized regression coefficients, respectively

Data Appendix: Court Rulings Description, Coverage, and Limitations

The Network for Middle East Laws (Shabaket Tashree'aat El Sharq Al-Awsat) represents the main source of information on rulings for this research.[16] As a commercially oriented service for lawyers, judges, and legal scholars, coverage emphasizes Higher Administrative Court rulings where the reasoning and rationale for courts' decisions as precedents for lawyers and lower court judges. To collate information from these court rulings, I searched rulings of Administrative Judicial Courts (lower courts) and of Supreme Administrative Courts using the keywords: "tenders and bids," "delay penalties," "letter of credit" and "completion of work at contractor's expense" over the years of coverage which extend from 1954- 2015. I extracted information of the first-degree court dispute details and outcome from Supreme Court rulings as these spell out the details of the initial dispute at the first-degree court. Each ruling record contains information on the hearing court, filing and ruling dates, dates of case transfer from one court to another (which happens in some 30% of the cases), the specific claims, whether the ruling relates to two related claims, and the law governing contract implementation (corresponds to the time of contract signing). I use the facts and justification section to code and quantify analysis variables.

The majority of cases covered relate to disputes where plaintiff demands are associated with a monetary amount, be it a delay penalty, a financial bond, a specified procurement or work invoice, or a specified monetary demand for compensation for harm. Few of the cases included (25), are claims that relate to decisions by the administrative authority that the contractor wants revoked. That claim obviously has a monetary value equivalent that the claim document does not specify. Not to lose cases that correspond to this circumstance, I include these cases in both the analysis of probability of award and of the duration of dispute resolution. The partial value awards analysis excludes them for lack of ability to attach a monetary value to the dispute.

The total number of claims that the search produces is 472 claims, for 451 of those the source of information is the Supreme Court ruling document and the remaining claims (21) come from administrative court rulings. In 53 rulings, the ruling addresses two opposite, yet related, claims by a contractor-plaintiff on one side and an administrative-plaintiff on another. Each plaintiff may have one or more demands. A court's single ruling for two claims happens when each litigant files a separate lawsuit, or if after one party files the first claim and dispute hearing is underway, the opposite party submits a counter-claim that relates to the same contract or contractual relationship.

When both parties submit claims, I treat each claim as a separate claim and record demands of each party separately. In these cases, one of the two disputants may end up with a negative award; zero award for his/her claim in addition to an obligation that stems from the other party's claim. This outcome cannot happen in the context of a single-claim case. In addition to examining the impact that a 2-claim case may have on various dispute outcomes, I conduct separate regressions for single-claim cases in some sections or subsections to eliminate that possibility that 2-claim cases may be biasing results.

It is not clear how comprehensive the Eastlaw Network Database is. However, the attention given to collating High Degree Courts, in general, is stronger than that of collating first-degree court rulings and the subset of Supreme Admin Court rulings appears to be more comprehensive than first-degree court rulings. This means, that the dataset is likely to be biased towards cases where

[16] Data source: http://eastlaws.com. Over 30,000 ruling records of Administrative Judicial Courts and the Supreme Administrative Court and economic courts are included that extend from the years of their establishment, 1946, 1955, and 2008, respectively. The main identifying variable of each record is the claim number (xxx/for year xxx) as well as the date the court issued the ruling in the claim. The jurisdiction of administrative courts encompasses not just disputes related to government economic activity, but also employee disputes and citizens challenges of various administrative decisions that government authorities in general issue.

either party decides to proceed with challenging a first-degree court ruling. [17] It is not possible to quantify the extent of this bias unless we have comprehensive coverage of all first-degree court rulings. Nonetheless, there is no reason to suspect bias in coverage, at least bias in covering claims submitted by one type of party: contractor or administrative body. In fact, given the stronger rights that the Government Tenders and Bids law gives to administrative authorities, the relatively larger share of contractors' claims in the sample (two-thirds) is plausible. The likely bias in the results, however, is a bias against recent cases as many Administrative Judicial Court rulings can still be in the Supreme Court litigation phase, which the dataset does not yet capture.

Time-wise, and because of the classification of the data by date of ruling rather than by claim filing date, even when there is a tendency to have fuller coverage of cases in the more recent past, that bias is not reflected in a bias of when the claim was filed. In other words, two cases that have rulings in 2010 may have started as a dispute in different years. The distribution of claims, overall shows that 90% of the cases started between 1985-2004 and administrative judicial courts ruled in 80% of the cases in the period 1995-2004. Around 60% of the cases are ones heard in Cairo and Alex Administrative courts, with the remaining 40% belonging to the rest of the country.

The facts and justifications section of a court ruling includes most of the variables related to the plaintiff and defendant, the date of contract signing, the disputed component of the contract or action of one party, the ruling court and whether the ruling applies to one or more (related) claims. It also includes the claim value, whether compensation or interested is demanded, applicable law, and the ruling text. The text also documents important dates in the dispute resolution cycle starting with claim filing, the date a claim was transferred from one court to another, whether experts were needed to clarify technical aspects, what report they provided, etc. and the dates for each of these steps. Dispute characteristics' variables rely almost exclusively on the ruling text document.

Only GDP per Capita and Government Expenditure to GDP variables come from the World Bank World Development Indicators database. The former was needed to normalize dispute values relative to an indicator at the time of claim filing. Normalization that relies on calculating a real value for disputes using inflation rates would have been difficult to apply not just over the duration of each dispute, but also to normalize values over the period from the early 1960s to 2011. Government expenditure as a ratio to GDP is simply a proxy for the size of government activity in the economy and the corresponding increase in potential dispute frequency. A better indicator to use would have been government expenditures but time series coverage was not complete.

During the period of analysis, the change in geographic jurisdiction that accompanied the establishment of regional administrative judicial courts caught many cases in the middle. The result was longer dispute settlement time due to case transfer. This phenomenon, while consistent with reducing the burden of litigation on disputants and bringing justice closer to where they are, has translated in a significant additional time for the case resolution time in around 20 % of the cases. For an additional 10% of the cases, and because contractors sometimes file claims in ordinary courts despite the claim being addressed against a government body, the primary court issues a lack of jurisdiction ruling and transfers the case to the relevant administrative court. Filing

[17] Challenges of first-degree court rulings from the larger sample of Supreme Administrative Court Ruling is the following: 31% of cases are ones where both parties challenge first-degree court rulings, 34% are cases where only the administrative body challenges while contractors' challenges represent 32% . Reasons to challenge a first-degree court ruling materialize if any of the following happens: The court does not award the plaintiff any or all of his/her demands or the court awards the plaintiff all or part of his/her demands but the other party challenges the ruling. The only broad conclusion that we can make is that from the cases that are challenged at the Supreme Court, the odds that administrative body is the one initiating the challenge are slightly higher than the odds for the contractor to initiate the challenge (1.1: 1).

in primary courts first due to lack of sufficient knowledge of administrative court jurisdiction boundaries is more frequent in contractor claim cases (88%). In a small number of cases (3%), the two jurisdiction issues occurred. Around 30 percent of the claims experienced delay in dispute settlement time. Variables coded or constructed for the purpose of conducting the analysis as well as additional variables specific to particular sections appear in Table A-1.

Table A-1: Variable definitions

General Variables	
COverallClaim10	=1 if contractor plaintiff case
AOverallClaim10	=1 if an administrative body plaintiff case
law263	=1 if Law 263/1954 applies, = 0 if either subsequent laws applies
CairoAlex10	= 1 if the ruling court is Cairo or Alex administrative Court;= 0 otherwise
FDCDualClaim10	= 1, if claim is part of a dual-claim case, = 0 if claim is a single claim case
ValueClaimtoGDPPrcpta	Claim value relative to GDP per capita in claim start year (multiples or fraction)
ValueClaim10	=1 if a specified monetary value is claimed, = 0 otherwise
CompClaim10	=1 if plaintiff claims compensation, = 0 otherwise
Interest Claim10	=1 if plaintiff claims interest, = 0 otherwise
Dispute Resolution Time- Additional Variables	
Yearsinclusive	The number of days between the filing date of claim in the FIRST court and the date of court ruling divided by 365
YearsLastAdminCourt	The number of days between claim filing in, or transfer to, LAST (Ruling) Admin Court and ruling date divided by 365
PrimeCourtStart10	=1 if claim first filed in a primary (regular) court, =0 otherwise
PriorAdminCourtStart10	=1 if claim first filed in a prior admin court, = 0 otherwise
SqrtClaimstartyearGconGDP	Sq Root of Claim start year percent of Government Consumption to GDP
TotalNoofClaims	Total number of claims of plaintiff (s) in the case
NonMonetaryClaim10	=1 if claim is only a non monetary claim (reversal or revoking of admin decision)
Odds Ratio of Positive Award- Additional Variables	
IntrstGrant10	=1 if court grants interest, = 0 otherwise
CompGranted10	=1 if court grants compensation, = 0 otherwise
ValueAward10	=1 if court grants specified value, = 0 otherwise
TotalAward10	=1 if court grants any of one or more claims, = 0 if court does not grant any
Award to Claim Ratios- Additional Variables	
GrandAwardtoTotalmoneyClaim%	value, compensation and calculated granted interest (at date of ruling) as a percent of the sum of value and compensation claimed
ValueplusCompAwardtoTotalmoneyClaim%	value plus comp awarded as a percent of value plus comp claimed
ValueplusIntrstAwardtoValueClaim%	value plus interest awarded as a percent of value claimed
ValueAwardtoValueClaimPer%	value that the court awards as a percent of value claimed
CompAwardedtoCompClaim%	comp awarded as a perecent of comp claimed
Interest awarded as a perecent of interest claimed %	Calculated Interest Awarded from claim filing (or whetever date court detrmines) to ruling date as a percent of Interest calculated based on plaintiff claim