Delivering Justice to the Poor
Theory and Experimental Evidence from Liberia

Justin Sandefur\textsuperscript{1}  Bilal Siddiqi\textsuperscript{2}

\textsuperscript{1}Center for Global Development
\textsuperscript{2}World Bank
Can progressive legal reform improve the lives of the poor in places where formal institutions have limited reach?

The puzzle:
Groups that face serious bias under customary law (e.g. women) nonetheless use the customary legal system to resolve their disputes

We ask:
Can people’s forum shopping behavior help us understand the tradeoffs they face between customary and formal systems?
Can increasing access to formal law improve their economic outcomes?

This project:
Theoretical and empirical analysis of the legal system in Liberia
Experimental evaluation of hybrid legal aid & mediation program
Partners: Carter Center, Catholic Justice and Peace Commission, USIP, GWU
Funders: DFID, UN Peace Building Fund, IGC, Open Society Foundation, IDLO

Relates to theoretical work by Aldashev et al. (2012) and peace education experiment by Blattman et al. (2013)
Can progressive legal reform improve the lives of the poor in places where formal institutions have limited reach?

The puzzle:

- Groups that face serious bias under customary law (e.g. women) nonetheless use the customary legal system to resolve their disputes
Can progressive legal reform improve the lives of the poor in places where formal institutions have limited reach?

The puzzle:
- Groups that face serious bias under customary law (e.g. women) nonetheless use the customary legal system to resolve their disputes.

We ask:
- Can people’s forum shopping behavior help us understand the tradeoffs they face between customary and formal systems?
- Can increasing access to formal law improve their economic outcomes?
Can progressive legal reform improve the lives of the poor in places where formal institutions have limited reach?

The puzzle:
- Groups that face serious bias under customary law (e.g. women) nonetheless use the customary legal system to resolve their disputes

We ask:
- Can people’s forum shopping behavior help us understand the tradeoffs they face between customary and formal systems?
- Can increasing access to formal law improve their economic outcomes?

This project:
- Theoretical and empirical analysis of the legal system in Liberia
- Experimental evaluation of hybrid legal aid & mediation program
- Partners: Carter Center, Catholic Justice and Peace Commission, USIP, GWU
- Funders: DFID, UN Peace Building Fund, IGC, Open Society Foundation, IDLO
Can progressive legal reform improve the lives of the poor in places where formal institutions have limited reach?

The puzzle:
- Groups that face serious bias under customary law (e.g. women) nonetheless use the customary legal system to resolve their disputes

We ask:
- Can people’s forum shopping behavior help us understand the tradeoffs they face between customary and formal systems?
- Can increasing access to formal law improve their economic outcomes?

This project:
- Theoretical and empirical analysis of the legal system in Liberia
- Experimental evaluation of hybrid legal aid & mediation program
- Partners: Carter Center, Catholic Justice and Peace Commission, USIP, GWU
- Funders: DFID, UN Peace Building Fund, IGC, Open Society Foundation, IDLO

Relates to theoretical work by Aldashev et al. (2012) and peace education experiment by Blattman et al. (2013)
Outline

1. Framework
2. Survey
3. Experiment
4. Conclusions
Sequence of decisions

\[
\begin{align*}
\text{Defendant} & \\
 h = 0 & \quad h > 0
\end{align*}
\]
Sequence of decisions

Defendant

\[ h = 0 \quad h > 0 \]

Plaintiff

\[ N \quad C \quad F \]
Sequence of decisions

Defendant

$h = 0$

$h > 0$

Plaintiff

$N$

$C$

$F$

Chief

$r_C$

$\bar{r}_C$

$u_P(r_C)$

$u_D(r_C)$

$n_P(\bar{r}_C)$

$u_D(\bar{r}_C)$

Formal judge

$r_F$

$\bar{r}_F$

$u_P(r_F)$

$u_D(r_F)$

$u_P(\bar{r}_F)$

$u_D(\bar{r}_F)$
Institutional assumptions

Assumption 1: Accessing the formal law is costly

Assumption 2: Custom is biased against certain groups
Institutional assumptions

Assumption 1: Accessing the formal law is costly

- Plaintiff incurs “access” (transport, fees, bribes, legal representation) and “punitive” (excessive punishment, social disapprobation) costs

Assumption 2: Custom is biased against certain groups

Bias depends on demog. characteristics of P and D (sex, occupation, ethnicity, kinship)
Institutional assumptions

Assumption 1: Accessing the formal law is costly

- Plaintiff incurs “access” (transport, fees, bribes, legal representation) and “punitive” (excessive punishment, social disapprobation) costs
- Defendant utility $u_D = \text{endowment } (u_0) + \text{harm } (h) - \text{legal remedy } (r_j)$

Assumption 2: Custom is biased against certain groups

Bias depends on demog. characteristics of $P$ and $D$ (sex, occupation, ethnicity, kinship)
Institutional assumptions

Assumption 1: Accessing the formal law is costly

- Plaintiff incurs “access” (transport, fees, bribes, legal representation) and “punitive” (excessive punishment, social disapprobation) costs
- Defendant utility \( u_D = \text{endowment } (u_0) + \text{harm } (h) - \text{legal remedy } (r_j) \)
- Plaintiff utility \( u_P = \text{endowment } (u_0) - \text{harm } (h) + \text{legal remedy } (r_j) - \text{cost } (\phi_j) \)
  where \( j \in N, C, F \) and \( \phi_j = 0 \) if \( j \in N, C \)

Assumption 2: Custom is biased against certain groups

\[ \max r_j u_j = (1 - \beta_j) \ln u_p(r_j) + \beta_j \ln u_d(r_j) \]

Bias depends on demog. characteristics of \( P \) and \( D \) (sex, occupation, ethnicity, kinship)
Institutional assumptions

Assumption 1: Accessing the formal law is costly

- Plaintiff incurs “access” (transport, fees, bribes, legal representation) and “punitive” (excessive punishment, social disapprobation) costs
- Defendant utility $u_D = \text{endowment } (u_0) + \text{harm } (h) - \text{legal remedy } (r_j)$
- Plaintiff utility $u_P = \text{endowment } (u_0) - \text{harm } (h) + \text{legal remedy } (r_j) - \text{cost } (\phi_j)$

where $j \in N, C, F$ and $\phi_j = 0$ if $j \in N, C$

Assumption 2: Custom is biased against certain groups

- Judges issue remedies ($r_j > 0$), subject to bias ($\beta_j \in [0, 1]$)

$$\max_{r_j} u_j = (1 - \beta_j) \ln u_p(r_j) + \beta_j \ln u_d(r_j)$$
Institutional assumptions

Assumption 1: Accessing the formal law is costly

- Plaintiff incurs “access” (transport, fees, bribes, legal representation) and “punitive” (excessive punishment, social disapprobation) costs
- Defendant utility $u_D = \text{endowment } (u_0) + \text{harm } (h) - \text{legal remedy } (r_j)$
- Plaintiff utility $u_P = \text{endowment } (u_0) - \text{harm } (h) + \text{legal remedy } (r_j) - \text{cost } (\phi_j)$
  where $j \in N, C, F$ and $\phi_j = 0$ if $j \in N, C$

Assumption 2: Custom is biased against certain groups

- Judges issue remedies ($r_j > 0$), subject to bias ($\beta_j \in [0, 1]$)
  \[
  \max_{r_j} u_j = (1 - \beta_j) \ln u_p(r_j) + \beta_j \ln u_d(r_j)
  \]
- Bias depends on demog. characteristics of $P$ and $D$ (sex, occupation, ethnicity, kinship)
Predictions

- Disadvantaged groups will be unlikely to use the costly formal system
Predictions

- Disadvantaged groups will be unlikely to use the costly formal system
- ...except when they are facing bias in the custom
Predictions

- Disadvantaged groups will be unlikely to use the costly formal system
- ...except when they are facing bias in the custom
- People will be happier with the customary system in aggregate
Predictions

- Disadvantaged groups will be unlikely to use the costly formal system
- ...except when they are facing bias in the custom
- People will be happier with the customary system in aggregate
- But groups facing bias will be much happier in the formal system
Outline

1 Framework

2 Survey

3 Experiment

4 Conclusions
Mapping theory to data

\[ \text{Defendant} \]
\[ h = 0 \quad h > 0 \]

\[ \text{Plaintiff} \]
\[ N \quad C \quad F \]

\[ \text{Chief} \quad r_C \quad \bar{r}_C \]
\[ u_P(r_C) \quad u_P(\bar{r}_C) \]
\[ u_D(r_C) \quad u_D(\bar{r}_C) \]

\[ \text{Formal judge} \quad r_F \quad \bar{r}_F \]
\[ u_P(r_F) \quad u_P(\bar{r}_F) \]
\[ u_D(r_F) \quad u_D(\bar{r}_F) \]
2,081 Households
Defendant

\[ h = 0 \quad h > 0 \]

4,586 Disputes
Plaintiff

\[ N \quad C \quad F \]

Chief

\[ r_C \quad \bar{r}_C \]

\[ u_P(r_C) \quad u_D(r_C) \]

\[ u_P(\bar{r}_C) \quad u_D(\bar{r}_C) \]

Formal judge

\[ r_F \quad \bar{r}_F \]

\[ u_P(r_F) \quad u_D(r_F) \]

\[ u_P(\bar{r}_F) \quad u_D(\bar{r}_F) \]
Mapping theory to data

2,081 Households
Defendant
\[ h = 0 \quad h > 0 \]

4,586 Disputes
Plaintiff
\[ 58\% = N \quad 38\% = C \quad F = 4\% \]

1,736 Cases
Chief
\[ r_C \quad \bar{r}_C \]
\[ u_P(r_C) \quad u_P(\bar{r}_C) \quad u_D(r_C) \quad u_D(\bar{r}_C) \]

180 Cases
Formal judge
\[ r_F \quad \bar{r}_F \]
\[ u_P(r_F) \quad u_P(\bar{r}_F) \quad u_D(r_F) \quad u_D(\bar{r}_F) \]
P1. Women are unlikely to use the costly formal system

Figure: Percent of reported disputes taken to formal system
P2. ...except when they are facing men

Figure: Percent of reported disputes taken to formal system
P3. People are happier with the customary system in aggregate

![Graph showing the comparison between Plaintiff and Defendant satisfaction measures between Custom and Formal systems.]

**Figure:** Principal component of five satisfaction measures
P4. But women suing men are much happier in the formal system

Figure: Principal component of five satisfaction measures
Outline

1. Framework
2. Survey
3. Experiment
4. Conclusions
Experimental evaluation

Baseline and treatment assignment

- 420 individuals with disputes interviewed immediately after community “legal awareness” session
- Approx. half randomly assigned into treatment through “lottery”
Experimental evaluation

Baseline and treatment assignment

- 420 individuals with disputes interviewed immediately after community “legal awareness” session
- Approx. half randomly assigned into treatment through “lottery”

Intervention

- Treated individuals offered bundle of information, mediation, advocacy
- Intended to reduce both “access” and “punitive” costs
- Repeat visits by paralegals over 3-4 month period
Experimental evaluation

Baseline and treatment assignment
- 420 individuals with disputes interviewed immediately after community “legal awareness” session
- Approx. half randomly assigned into treatment through “lottery”

Intervention
- Treated individuals offered bundle of information, mediation, advocacy
- Intended to reduce both “access” and “punitive” costs
- Repeat visits by paralegals over 3-4 month period

Endline
- 95% of baseline sample successfully re-interviewed
Experimental sample

- Experimental sample
- Representative sample

- Nowhere
- Customary
- Formal

- Ratio

- Female
- Male

- Farmer
- Wage earner

- Minority
- Majority
What paralegals did

![Bar chart showing the services provided by paralegals in different categories: Family, Economic, Violence. The services are divided into Mediation, Advocacy, and Information.]
Intervention improves plaintiffs’ welfare
Looking at outcomes a little more closely...

![Diagram showing case results, justice system, attitudes, behavior, and household wellbeing outcomes with various indicators such as fair judgment, satisfied, better off, community relations, legal knowledge, not harassed, did not bribe, oppose GBV, happiness, trust, land papers, land demarcated, lending, borrowing, HH food security, child food security, land gained, child support, and less GBV.](image-url)
## Intervention improved case results

<table>
<thead>
<tr>
<th></th>
<th>Coeff.</th>
<th>Std. Err.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Case results</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fair judgment</td>
<td>0.348**</td>
<td>(0.142)</td>
</tr>
<tr>
<td>Satisfied</td>
<td>0.370**</td>
<td>(0.149)</td>
</tr>
<tr>
<td>Better off</td>
<td>0.267**</td>
<td>(0.123)</td>
</tr>
<tr>
<td>Other party relations</td>
<td>0.233*</td>
<td>(0.133)</td>
</tr>
<tr>
<td>Community relations</td>
<td>0.134</td>
<td>(0.110)</td>
</tr>
<tr>
<td>Mean effect index</td>
<td>0.219**</td>
<td>(0.092)</td>
</tr>
</tbody>
</table>

Justin Sandefur, Bilal Siddiqi  
Delivering Justice to the Poor  
21 / 29
...and provided economic benefits

<table>
<thead>
<tr>
<th></th>
<th>Cross-section</th>
<th>ANCOVA</th>
<th>Diff-in-diff.</th>
<th>Fixed effects</th>
</tr>
</thead>
<tbody>
<tr>
<td>Household wellbeing</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>HH food security</td>
<td>0.260**</td>
<td>(0.119)</td>
<td>0.292**</td>
<td>(0.114)</td>
</tr>
<tr>
<td>Child food security</td>
<td>0.296**</td>
<td>(0.127)</td>
<td>0.273**</td>
<td>(0.127)</td>
</tr>
<tr>
<td>Land gained</td>
<td>-0.072</td>
<td>(0.050)</td>
<td>-0.051</td>
<td>(0.063)</td>
</tr>
<tr>
<td>Child support</td>
<td>0.179*</td>
<td>(0.094)</td>
<td>0.220*</td>
<td>(0.109)</td>
</tr>
<tr>
<td>Less GBV</td>
<td>0.226***</td>
<td>(0.072)</td>
<td>0.211***</td>
<td>(0.061)</td>
</tr>
<tr>
<td>Mean effect index</td>
<td>0.218***</td>
<td>(0.047)</td>
<td>0.218***</td>
<td>(0.046)</td>
</tr>
</tbody>
</table>

Justin Sandefur, Bilal Siddiqi
Delivering Justice to the Poor
...through better dispute resolution

<table>
<thead>
<tr>
<th></th>
<th>Family case</th>
<th></th>
<th>Economic case</th>
<th></th>
<th></th>
<th>Violence case</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Household wellbeing</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>HH food security</td>
<td>0.484*</td>
<td>(0.276)</td>
<td>0.041</td>
<td>(0.268)</td>
<td>0.231</td>
<td>(0.378)</td>
<td></td>
</tr>
<tr>
<td>Child food security</td>
<td>0.706**</td>
<td>(0.270)</td>
<td>-0.158</td>
<td>(0.270)</td>
<td>-0.054</td>
<td>(0.402)</td>
<td></td>
</tr>
<tr>
<td>Land gained</td>
<td>-0.097</td>
<td>(0.134)</td>
<td>-0.152</td>
<td>(0.123)</td>
<td>-0.198</td>
<td>(0.240)</td>
<td></td>
</tr>
<tr>
<td>Child support</td>
<td>0.578**</td>
<td>(0.228)</td>
<td>0.093</td>
<td>(0.186)</td>
<td>0.518**</td>
<td>(0.250)</td>
<td></td>
</tr>
<tr>
<td>Less GBV</td>
<td>0.525**</td>
<td>(0.228)</td>
<td>-0.487***</td>
<td>(0.175)</td>
<td>2.861***</td>
<td>(0.919)</td>
<td></td>
</tr>
<tr>
<td>Mean effect index</td>
<td>0.333***</td>
<td>(0.116)</td>
<td>-0.151</td>
<td>(0.106)</td>
<td>0.470**</td>
<td>(0.210)</td>
<td></td>
</tr>
</tbody>
</table>
It lowered access costs

<table>
<thead>
<tr>
<th>Justice system</th>
<th>Cross-section</th>
<th>ANCOVA</th>
<th>Diff-in-diff.</th>
<th>Fixed effects</th>
</tr>
</thead>
<tbody>
<tr>
<td>Legal knowledge</td>
<td>0.190**</td>
<td>(0.090)</td>
<td>0.231**</td>
<td>(0.094)</td>
</tr>
<tr>
<td>Not harassed</td>
<td>0.015</td>
<td>(0.013)</td>
<td>0.017</td>
<td>(0.013)</td>
</tr>
<tr>
<td>Did not bribe</td>
<td>0.094***</td>
<td>(0.028)</td>
<td>0.089***</td>
<td>(0.028)</td>
</tr>
<tr>
<td>Mean effect index</td>
<td>0.184***</td>
<td>(0.046)</td>
<td>0.208***</td>
<td>(0.046)</td>
</tr>
</tbody>
</table>
...but did not change forum choice

<table>
<thead>
<tr>
<th>Forum choice</th>
<th>Cross-section</th>
<th>ANCOVA</th>
<th>Diff-in-diff.</th>
<th>Fixed effects</th>
</tr>
</thead>
<tbody>
<tr>
<td>Report to formal</td>
<td>0.003 (0.022)</td>
<td>0.008 (0.023)</td>
<td>0.040 (0.033)</td>
<td>0.040 (0.033)</td>
</tr>
<tr>
<td>Report to custom</td>
<td>-0.061 (0.048)</td>
<td>-0.056 (0.048)</td>
<td>-0.018 (0.064)</td>
<td>-0.018 (0.064)</td>
</tr>
<tr>
<td>Mean effect index</td>
<td>-0.058 (0.082)</td>
<td>-0.038 (0.082)</td>
<td>0.050 (0.091)</td>
<td>0.050 (0.091)</td>
</tr>
</tbody>
</table>
Outline

1. Framework
2. Survey
3. Experiment
4. Conclusions
Hybrid legal aid & mediation intervention works

- Lowers access costs, but doesn’t open the floodgates to the formal system
- Likely works through improved knowledge & unbiased forum
Conclusions

Hybrid legal aid & mediation intervention works
- Lowers access costs, but doesn’t open the floodgates to the formal system
- Likely works through improved knowledge & unbiased forum

Why don’t we support more hybrid interventions?
- Not sure govt. can take this over—outsider monitoring important
- Could it be a private service? Yes—but proceed with caution. Zero price effect.
Summary

Formal and customary systems offer starkly different choices

- Develop model of forum shopping that captures trade-off between bias and cost
- Predicts that demog. groups facing bias in custom will exit
- Test model using original data on 4,500 disputes in Liberia
Summary

Formal and customary systems offer starkly different choices

- Develop model of forum shopping that captures trade-off between bias and cost
- Predicts that demog. groups facing bias in custom will exit
- Test model using original data on 4,500 disputes in Liberia

We exogenously lower the costs of accessing formal law

- Paralegals trained in formal law & mediation
- Randomize over 420 individuals with disputes in 76 villages

...and find large downstream benefits
Treated individuals report better case results & increased food security
Benefits come from improved dispute resolution (through mediation?) rather than changed behavior or rush to courts
Conclusions

Summary

Formal and customary systems offer starkly different choices
- Develop model of forum shopping that captures trade-off between bias and cost
- Predicts that demog. groups facing bias in custom will exit
- Test model using original data on 4,500 disputes in Liberia

We exogenously lower the costs of accessing formal law
- Paralegals trained in formal law & mediation
- Randomize over 420 individuals with disputes in 76 villages

...and find large downstream benefits
- Treated individuals report better case results & increased food security
- Benefits come from improved dispute resolution (through mediation?) rather than changed behavior or rush to courts