

Delivering Justice to the Poor

Theory and Experimental Evidence from Liberia

Justin Sandefur¹ Bilal Siddiqi²

¹Center for Global Development

²World Bank

Can progressive legal reform improve the lives of the poor in places where formal institutions have limited reach?

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)

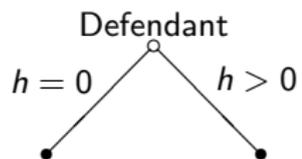


Glenna Gordon

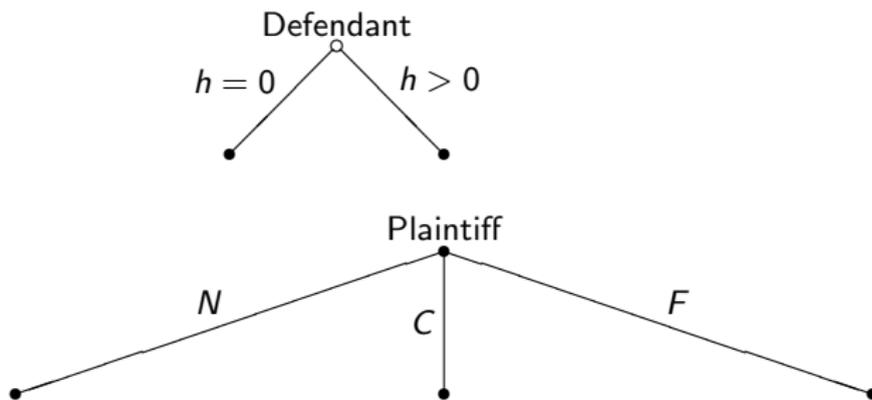
Outline

- 1 Framework
- 2 Survey
- 3 Experiment
- 4 Conclusions

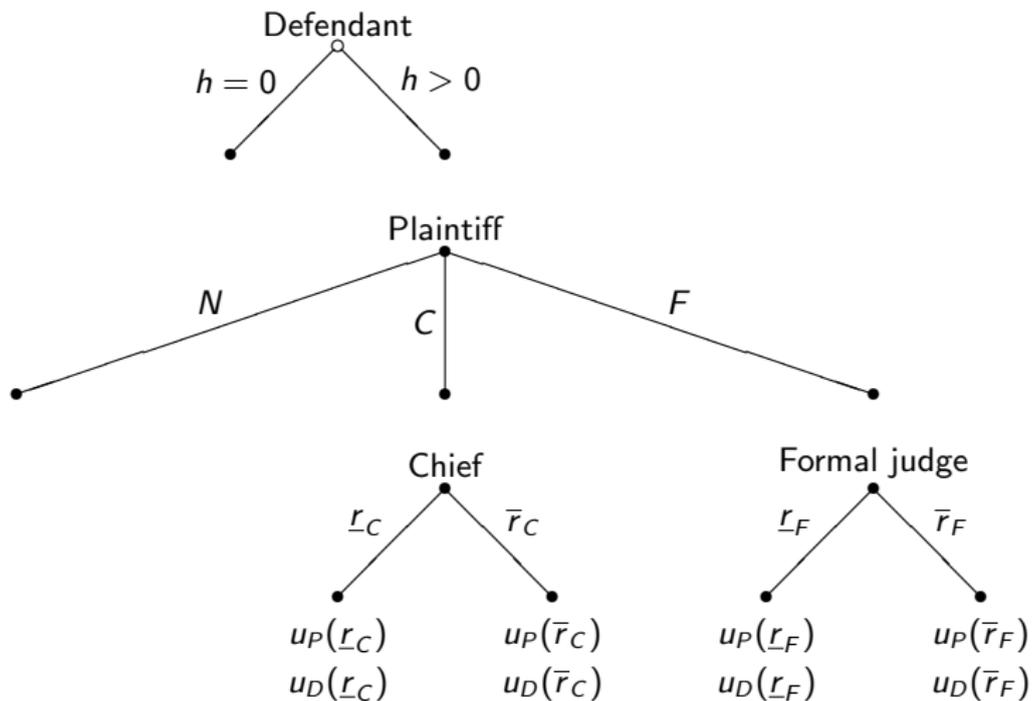
Sequence of decisions



Sequence of decisions



Sequence of decisions



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

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

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

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

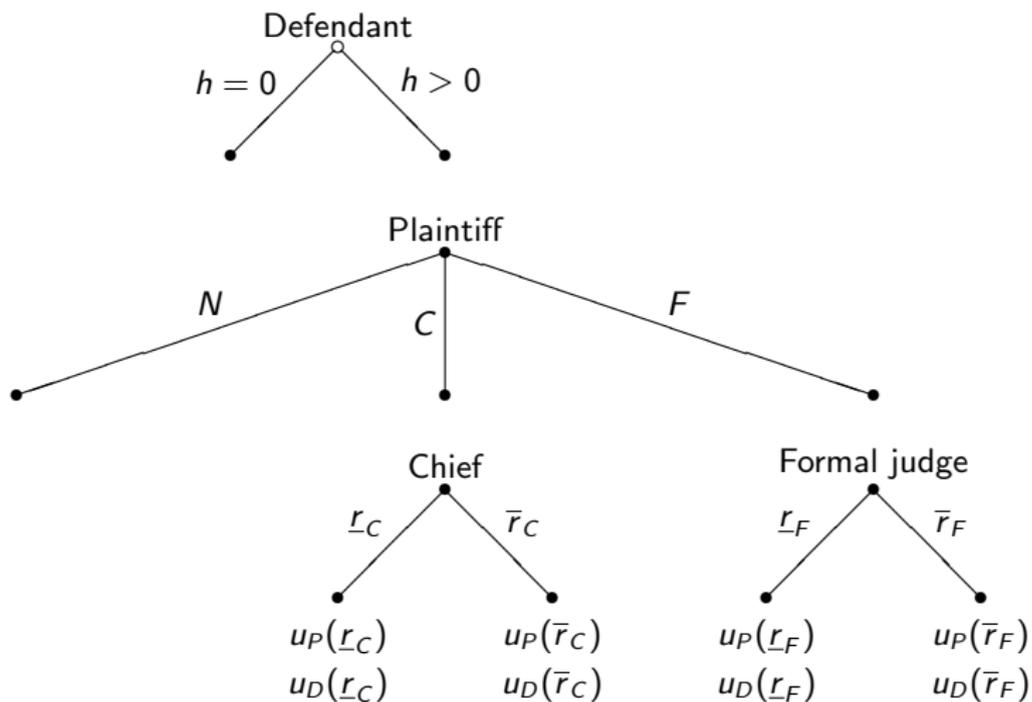
Predictions

- 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

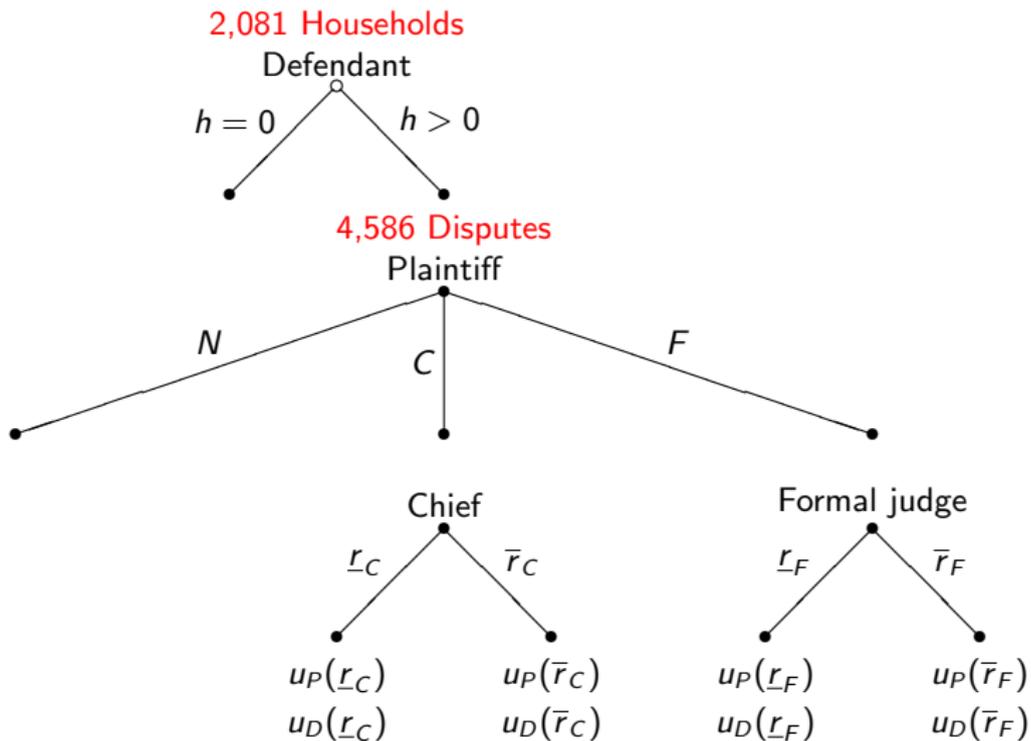
Outline

- 1 Framework
- 2 Survey
- 3 Experiment
- 4 Conclusions

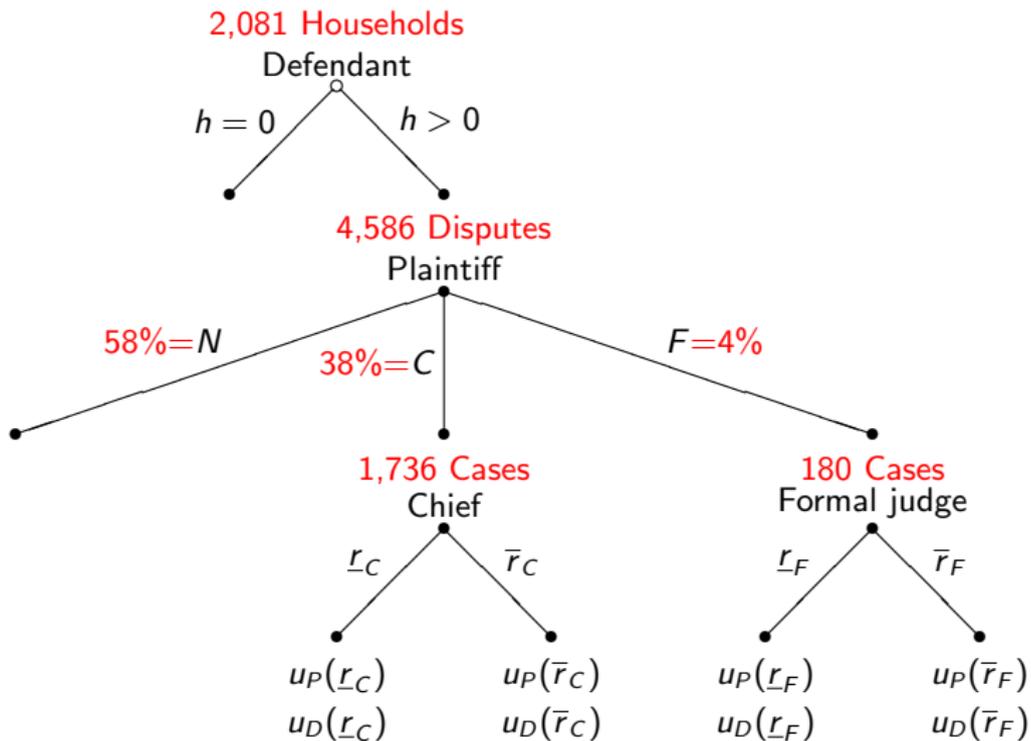
Mapping theory to data



Mapping theory to data



Mapping theory to data



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

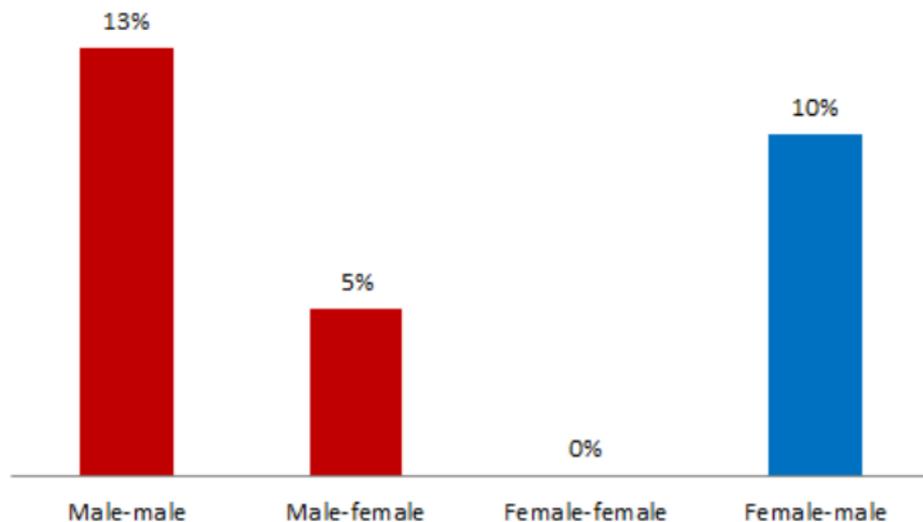


Figure: Percent of reported disputes taken to formal system

P3. People are happier with the customary system in aggregate

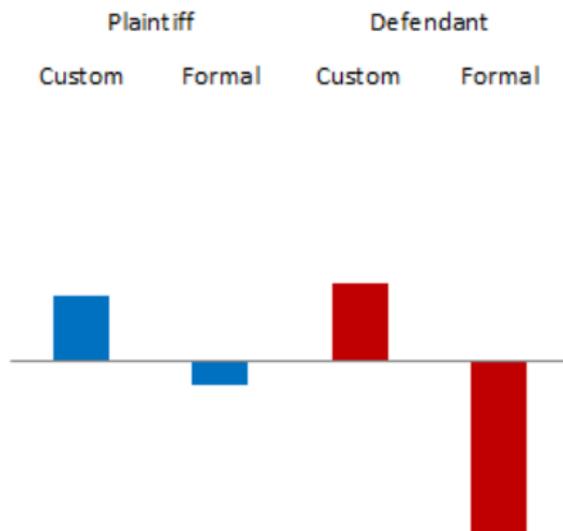


Figure: Principal component of five satisfaction measures

P4. But women suing men are much happier in the formal system

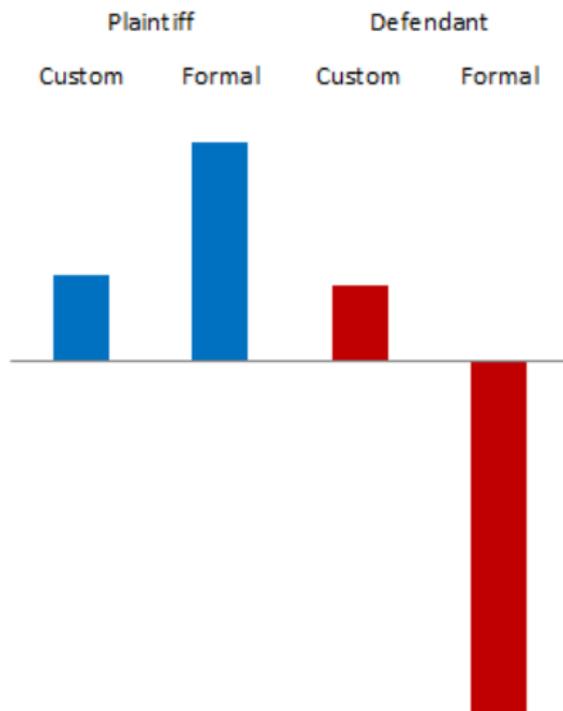


Figure: Principal component of five satisfaction measures

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”

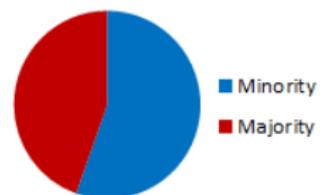
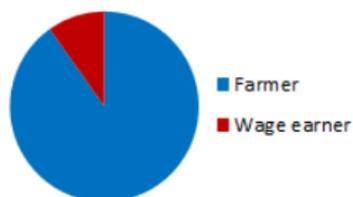
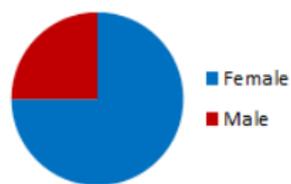
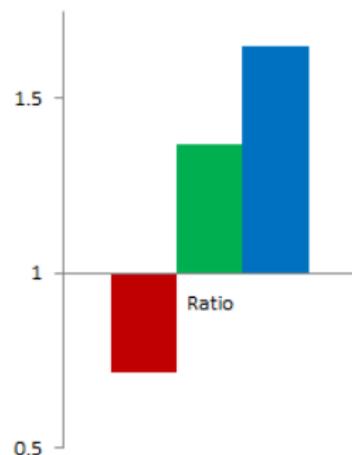
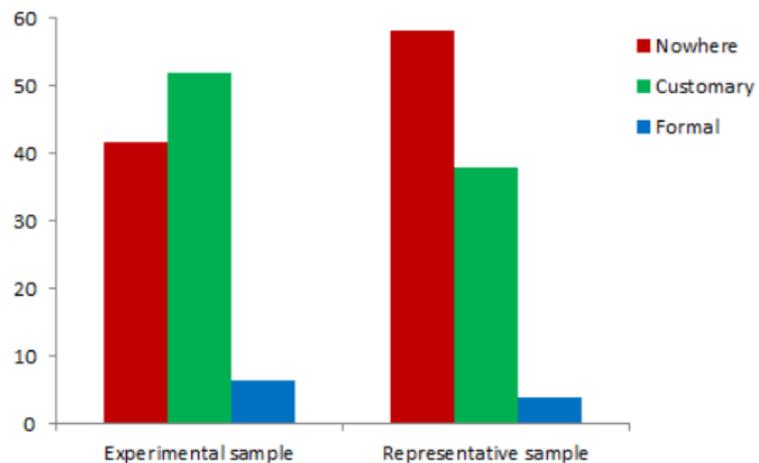
Intervention

- 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

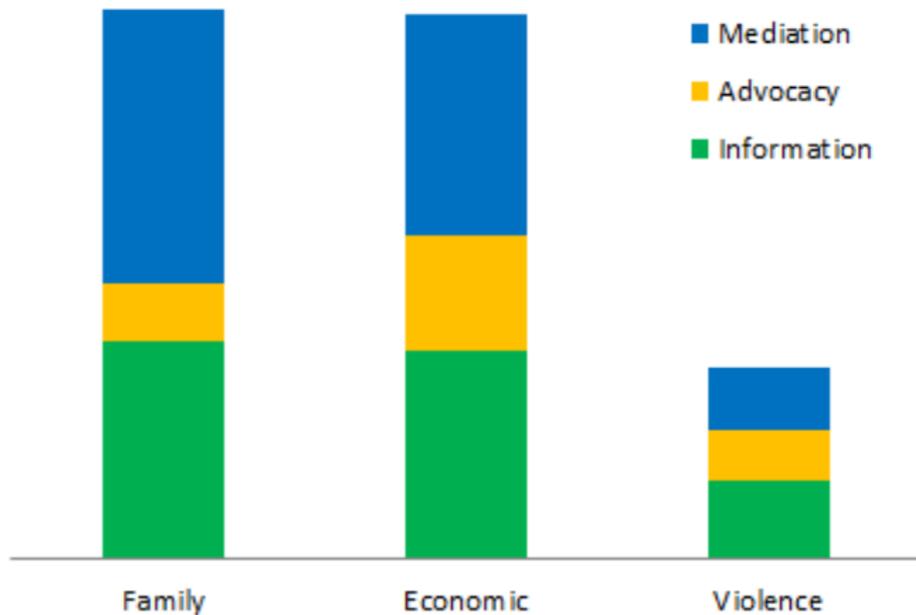
Endline

- 95% of baseline sample successfully re-interviewed

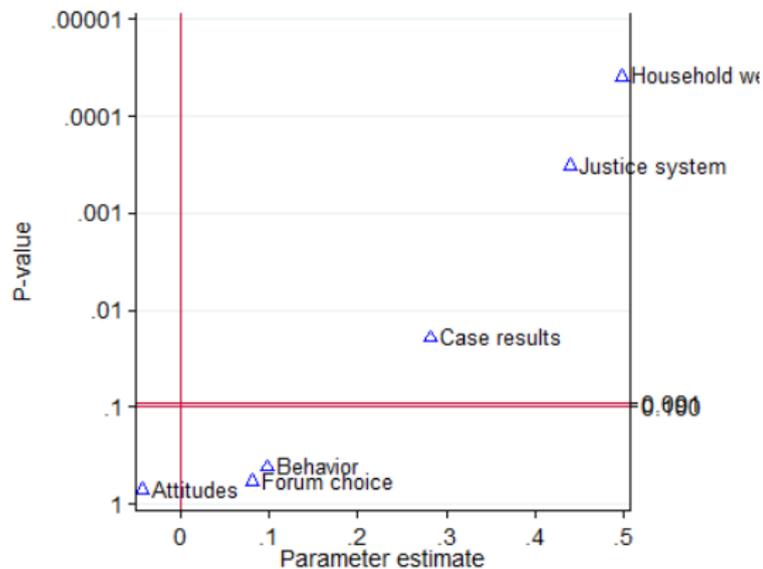
Experimental sample



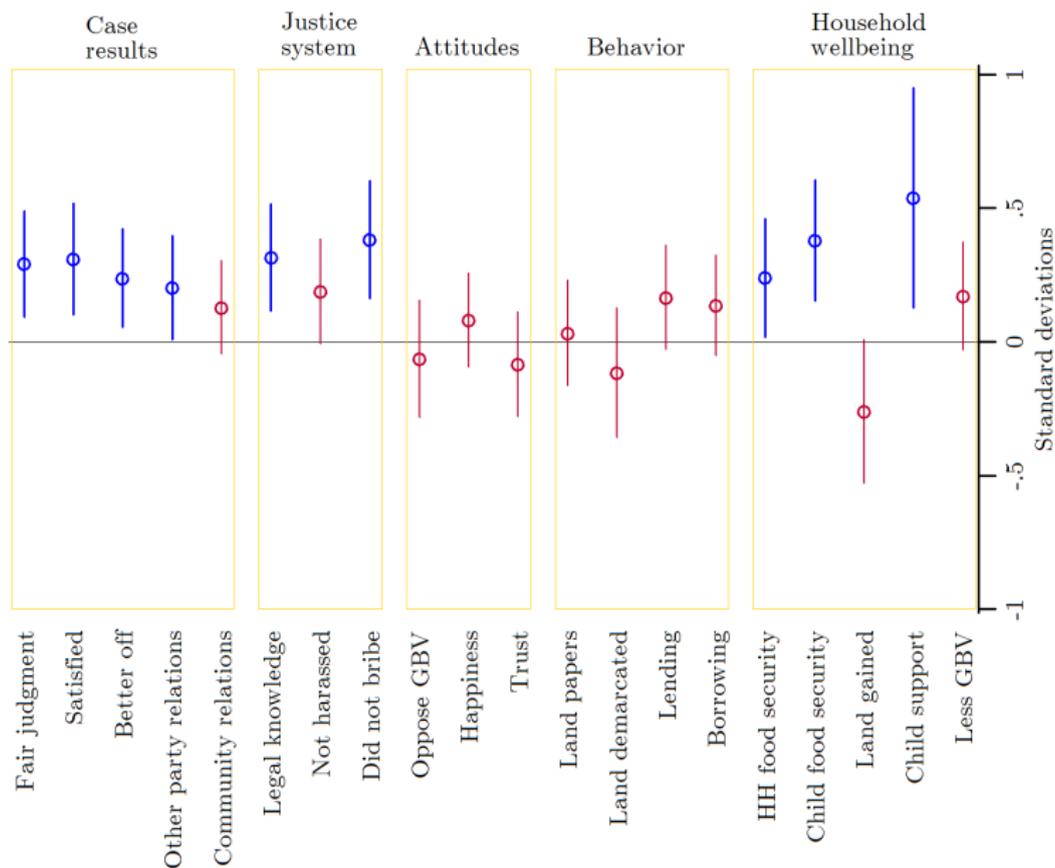
What paralegals did



Intervention improves plaintiffs' welfare



Looking at outcomes a little more closely...



Intervention improved case results

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

...and provided economic benefits

	Cross-section		ANCOVA		Diff-in-diff.		Fixed effects	
	Coeff.	Std. Err.	Coeff.	Std. Err.	Coeff.	Std. Err.	Coeff.	Std. Err.
<u>Household wellbeing</u>								
HH food security	0.260**	(0.119)	0.292**	(0.114)	0.260**	(0.130)	0.299**	(0.127)
Child food security	0.296**	(0.127)	0.273**	(0.127)	0.365***	(0.133)	0.337**	(0.141)
Land gained	-0.072	(0.050)	-0.051	(0.063)	-0.123	(0.078)	-0.102	(0.086)
Child support	0.179*	(0.094)	0.220*	(0.109)	0.243**	(0.103)	0.352**	(0.141)
Less GBV	0.226***	(0.072)	0.211***	(0.061)	0.171	(0.125)	0.157	(0.146)
<u>Mean effect index</u>	0.218***	(0.047)	0.218***	(0.046)	0.229***	(0.052)	0.226***	(0.053)

...through better dispute resolution

	Family case		Economic case		Violence case	
	Coeff.	Std. Err.	Coeff.	Std. Err.	Coeff.	Std. Err.
<u>Household wellbeing</u>						
HH food security	0.484*	(0.276)	0.041	(0.268)	0.231	(0.378)
Child food security	0.706**	(0.270)	-0.158	(0.270)	-0.054	(0.402)
Land gained	-0.097	(0.134)	-0.152	(0.123)	-0.198	(0.240)
Child support	0.578**	(0.228)	0.093	(0.186)	0.518**	(0.250)
Less GBV	0.525**	(0.228)	-0.487***	(0.175)	2.861***	(0.919)
<u>Mean effect index</u>	0.333***	(0.116)	-0.151	(0.106)	0.470**	(0.210)

It lowered access costs

	Cross-section		ANCOVA		Diff-in-diff.		Fixed effects	
	Coeff.	Std. Err.	Coeff.	Std. Err.	Coeff.	Std. Err.	Coeff.	Std. Err.
<u>Justice system</u>								
Legal knowledge	0.190**	(0.090)	0.231**	(0.094)	0.316***	(0.119)	0.323***	(0.117)
Not harassed	0.015	(0.013)	0.017	(0.013)	0.027	(0.017)	0.028	(0.018)
Did not bribe	0.094***	(0.028)	0.089***	(0.028)	0.100***	(0.035)	0.095***	(0.035)
<u>Mean effect index</u>	0.184***	(0.046)	0.208***	(0.046)	0.275***	(0.073)	0.281***	(0.073)

...but did not change forum choice

	Cross-section		ANCOVA		Diff-in-diff.		Fixed effects	
	Coeff.	Std. Err.	Coeff.	Std. Err.	Coeff.	Std. Err.	Coeff.	Std. Err.
<u>Forum choice</u>								
Report to formal	0.003	(0.022)	0.008	(0.023)	0.040	(0.033)	0.040	(0.033)
Report to custom	-0.061	(0.048)	-0.056	(0.048)	-0.018	(0.064)	-0.018	(0.064)
<u>Mean effect index</u>	-0.058	(0.082)	-0.038	(0.082)	0.050	(0.091)	0.050	(0.091)

Outline

- 1 Framework
- 2 Survey
- 3 Experiment
- 4 Conclusions**

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

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

Bibliography I

- Aldashev, G., Chajara, I., Platteau, J.-P., and Wahhaj, Z. (2012). Using the Law to Change the Custom. Journal of Development Economics, 97(2):182–200.
- Blattman, C., Hartman, A., and Blair, R. (2013). How to Promote Order and Property Rights Under Weak Rule of Law? An Experiment in Changing Dispute Resolution Behavior Through Community Education.