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211(d) Annual Report

September 30, 1973

Title: A Grant to Strengthen Stanford
University's Capabilities in
Law and Development (AID/csd-3151)

Grantee: Leland Stanford Junior University

A.

STATISTICAL SUMMARY

Period of Grant: May 28, 1971 to May 27, 1976. Amount of
Grant: \$700,000. Expenditures for Report Year: \$129,994.01.
Accumulated: \$242,374.82. Anticipated for Next Year: \$199,656.

NOTE: This second report covers the period from September 1,
1972 through August 31, 1973. Each of the next two annual reports
will cover a one-year period beginning on September 1. The fifth
and final report will embrace the nine-month period from September 1,
1975 through May 27, 1976. This schedule was approved in a letter of
August 28, 1972 from Mr. Gerald Ungar of LA/SCD.

B.

NARRATIVE SUMMARY

Work was completed on the remaining aspects of a research de-
sign and methodology for parallel field studies in law and develop-
ment, now being conducted in six countries of Latin America and
Mediterranean Europe (Chile, Costa Rica, Italy, Mexico, Peru and
Spain). This project was carried out jointly by Stanford Law School
faculty members and a group of development scholars from the coun-
tries concerned who were brought to Stanford as resident scholars
or consultants during 1972. These scholars are now conducting the
two-year field studies under separate contracts with Stanford
University. A research coordinator has been added to assist in
assembling and analyzing the data which is being sent to the
Stanford Law School.

The field research effort will produce materials for a series
of major studies on law and development, to be prepared at Stanford.
These studies will draw both upon comparative data on the general
relationships between legal and social change in the six countries,
and upon specific studies examining selected areas of interplay be-
tween legal and other social processes (labor-management relations
and agrarian reform). The principal aim is to develop a new body
of theory and method -- a "social science" of law and development --
which will provide the conceptual framework for ongoing research,
training and decision making in this field.

Two recent graduates of the Law School completed or undertook Latin American work-study assignments during the reporting period. A new Law School course related to law and development, Anthropology of Law, was taught for the first time while a course on the legal systems of Western Europe and Latin America focused on some issues relevant to studies in law and development. The Stanford Law School Library went forward with its program to expand its collection of materials on law and development, with emphasis on Latin America. A workshop for the presentation of data and discussion of methodological problems was held in Bermuda in February, 1973.

C.

DETAILED REPORT

I. General Background and Purpose of the Grant

Though it is widely recognized that strong legal institutions are essential to sound national growth, little is known about the actual functions of law and legal institutions in the development process. There is clear need for a new body of theory and method -- a "social science" of law and development -- to provide the intellectual framework for effective study, research and decision making in this area.

Since the mid-1960's the Stanford Law School has developed a basic competence in this field through teaching, research and participation in special projects. Its interest has centered on Latin America and Mediterranean Europe, which share a common legal tradition and together form a coherent, relatively homogeneous cultural area. The School has been encouraged and assisted by other departments of the University which have extensive resources in the development field, particularly with respect to Latin America. The University sought this grant to strengthen the capabilities of the Law School as a center for research and training in law and development through an intensive, five-year program.

II. Objectives of the Grant

1. Objectives Restated

The principal objectives of the program as set out in the grant proposal are:

- a. to undertake a major research effort in law and development involving Stanford Law School faculty members, scholars from other social sciences, foreign legal scholars and United States law students in a series of theoretical and empirical studies focusing both on entire legal systems and on specific legal institutions and processes in the less developed countries;
- b. to provide training opportunities in law and development for United States law students and young legal scholars from Latin America through formal teaching offerings at Stanford Law School, study and research fellowships tenable at Stanford, and work-study assignments in selected countries of Latin America;
- c. to assemble a comprehensive library of materials on law and development, with special attention to Latin American laws and legal institutions;

d. to sponsor workshops on law and development as a means of enabling scholars of various disciplines, United States and foreign, to share their knowledge of the field and to discuss problems of common interest;

e. to establish a limited number of collaborative relationships with law faculties in Latin America, both to advance the research interests of the Stanford program and to insure the relevance of the enhanced Stanford University capabilities to the needs and characteristics of the institutions of the less developed countries.

2. Review of Objectives

The program objectives remain unchanged. As detailed in last year's report, however, foreign development scholars have assumed a more central role in the research component of the program than was contemplated in the grant application. It was originally thought that such scholars would be engaged from time to time to assist Law School faculty members and collaborating North American social scientists in the conduct of specific studies relating to their own countries. But in reviewing our plans after the grant was approved, we concluded that scholars from the countries of concern to the program should be involved directly in the design of a theoretical framework and general methodology for program research. This was accomplished by inviting scholars from each of the program countries to spend up to six months at Stanford during the spring and summer of 1972 to work directly with Law School faculty members in the planning of the research effort.

As this preliminary phase neared its close, it was decided that the field investigations necessary to the research effort could most effectively be carried out by the same foreign scholars who had collaborated in the planning process. To this end, they were invited to participate as principals in the two-year field research program described below. With AID's approval, the planned scope of some other program activities (research and travel by Law School faculty members, foreign work-study fellowships for new United States law graduates) was reduced to provide adequate budgetary support for this phase of the program.

III. Accomplishments

1. Research

The primary research task during the reporting period was the commencement of data collection in the six program countries: Chile, Costa Rica, Italy, Mexico, Peru and Spain. The Latin American and European scholars principally involved in this activity were Professor Edmundo Fuenzalida Faivovich, of the Institute of Political Science at the Catholic University of Chile; Professors Carlos Jose Gutierrez and Ricardo Harbottle, of the Law

Faculty of the University of Costa Rica; Professor Stefano Rodota of the Faculty of Law at the University of Rome and Professor Sabino Cassese of the Faculty of Economic Sciences at the University of Ancona; Dr. Miguel S. Wionczek, of the Center for Latin American Monetary Studies, and Lic. Luisa Maria Leal, of the Mexican Ministry of General Administration; Professor Lorenzo Zolezzi, of the Department of Law at the Pontifical Catholic University of Peru; and Professor Jose Juan Toharia, of the Department of Sociology at the University of Madrid.

The collection effort focuses on data indicating the scope and nature of changes in the societies and legal systems of the countries under study. The "social" indicators include such measurements as population size, age structure and distribution; population density, migration and urbanization; economic structure, production and distribution of income; education levels; size and distribution among types of employment of the working population; social benefits (old age, sickness, unemployment); etc. In general, the social indicators employ accepted measurements and make use of data already systematically collected and published by others. The "legal" indicators, by contrast, in many cases involve original research of records and archives. They include measurements of such things as the number, organization, distribution and budgets of legal institutions (courts legislatures, law enforcement agencies, public administration, faculties of law, etc.); the volume, type and duration of legal processes (litigation, legislation, private dispute resolution, resource allocation by the public administration, etc.); the number, origins and compensation of legal actors (lawyers, notaries, judges, judicial staff, legislators and their staff, police, public administrators and their staffs). Changes in the legal culture and in the character of legal norms are approached through content analysis of contemporary publications and documents.

The social and legal indicators provide comparative information that will permit both diachronic and synchronic analysis. The longitudinal dimension of the study covers the years 1945 to 1970. The synchronic analysis consists of two parts. First, national data on the six social and legal systems will be compared. Second, within each of the program countries different regions will be chosen representing various levels of socioeconomic development. The study of these regional legal systems will reveal the differential impact of social change over time. Regions of one nation can also be compared to similar or distinct regions in another nation. Raw data compiled in the first stage will show the absolute importance of any social or legal indicator; these data will also be compiled against a standard population base (100,000 inhabitants) to facilitate preliminary cross-national comparison. In subsequent stages of analysis, of course, a range of statistical techniques can be applied to the raw data.

The use of the social and legal indicators will permit us to test such hypotheses as these: that the amount of litigation increases exponentially with population increase; that litigiousness decreases with increasing economic productivity; that loyalty to the legal system decreases with urbanization of the population.

During the reporting period work was also begun in each of the program countries on a specific study of labor-management problems and the legal system's responses to them. This entails an examination of the social and economic origins of labor-management disputes, informal arrangements for their settlement, and the precise ways in which the legal system "processes" those disputes that cannot be resolved informally. A second study dealing with a specific problem area -- agrarian reform and related conflicts -- is being planned.

Selected working papers and other materials produced both in the program countries and at Stanford during the reporting period are being assembled and will shortly be forwarded to AID.

To help evaluate and analyze the large quantities of data being forwarded to Stanford from the program countries, Mr. David S. Clark was engaged as a research associate at the Law School on June 1, 1973. Mr. Clark holds the J.D. and J.S.M. degrees from Stanford Law School and is a candidate for the J.S.D. (Doctor of the Science of Law) degree in the Law and Modernization program of the Yale Law School, where he spent the academic year 1972-73.

The aim of this two-year phase is to produce a series of major studies, elucidating a theory of law and development which will be sustained both by comparative data on general relationships between legal and social change, and by studies examining specific areas of interplay between the two types of change. The Law School will be the central repository of the materials collected and produced. Professors John Merryman and Lawrence M. Friedman will share the editorial responsibility for the studies.

Costs of the research effort amounted to about 74% of total grant expenditures during the reporting period.

2. Training

A recent United States graduate of the Law School, Timothy G. Todd, completed his J.S.M. (Master of the Science of Law) degree during the reporting period. He returned in the spring of 1972 from an extended work-study assignment with the AID-supported Law Project of the University of Costa Rica. He received modest fellowship support from another source to enable him to complete work on his thesis, entitled Agricultural Credit and the Small Farmer in Costa Rica: Individual Impact and Institutional Discretion. A second graduate, James P. Rowles, is presently participating in the formulation of an agrarian conflicts re-

search design in Costa Rica, as well as carrying out field research on law and development which will be used in his thesis for the J.S.M. degree. He has received modest fellowship support out of the AID grant.

Jane F. Collier, Assistant Professor of Anthropology at Stanford, was engaged to conduct a new Law School course on "The Anthropology of Law" during the Spring semester of 1972-73. Professor Collier has done extensive research on the legal systems of "primitive" peoples in Latin America. Her course examined problems of developing a definition of "law" with cross-cultural validity; the relationship between legal systems and other aspects of society; ways of approaching the development, or the evolution of legal systems; and anthropological studies of modern legal problems, both in developing nations and in the United States.

Mauro Cappelletti, Professor of Law at Stanford, taught his course on the Legal Systems of Western Europe and Latin America during the Autumn term of 1972-73. The traditions, attitudes, institutions and processes that are shared by the legal systems of major Western European and Latin American nations were examined.

About 6% of grant expenditures were devoted to this objective.

3. Library

Primary attention was given to implementing the five-year acquisition schedule for the support of the program, with emphasis on materials from and concerning Latin America. A copy of the schedule was attached to last year's report as Annex B.

Grant expenditures for book purchases and related processing services amounted to about 15% of the total.

4. Workshops

A meeting of all program participants was held in Bermuda on February 4-8, 1973. Its objects were to refine the overall research design and methodology, to review data collected to that time, and to discuss plans for specific studies in the areas of labor-management relations and agrarian conflicts. Another workshop is being planned for October 28-November 2 in Mexico, in which work accomplished since February will be fully reviewed and detailed plans for the coming year will be completed.

Workshop costs (for travel, subsistence and materials) amounted to about 5% of total grant expenditures.

5. Institutional Links

The Law School's relations with the group of nine Latin American and European scholars, who have signed contracts with the Law School and are now conducting the empirical field research in their respective nations, have been close and cordial during the reporting period. Formal institutional arrangements were made with the Department of Law at the Pontifical Catholic University of Peru and with the Institute of Legal Teaching and Research in Santiago, Chile.

There was an exchange of views and materials with the Yale Law School, whose AID-supported Program in Law and Modernization has a substantive focus similar to that of the Stanford program but with different geographical emphasis. Close ties were also maintained with the International Legal Center of New York City, which sponsored a spring, 1973 meeting of law and development scholars to assist the Center in developing policy guidelines for the support of research in this field. Professors Merryman and Friedman of the Law School, and Professor Clark W. Reynolds of the Food Research Institute, attended for Stanford. Professor Lorenzo Zolezzi (one of the Law School's law and development research scholars) attended as Latin American representative.

IV. Impact of Grant Supported Activities in Developing Institutional Capabilities

The grant has enabled the Law School to strengthen its institutional capabilities in law and development as follows:

1. Faculty interest and involvement in grant-supported activities have significantly increased through the development of a concrete, multi-phased program of research for the coming years. Though Professor John Merryman and Professor Lawrence Friedman have made the principal contributions to this effort, four other members of the Law School faculty and staff (Associate Professor John H. Barton, Associate Professor Robert L. Rabin, Professor David Rosenhan, Associate Dean Joseph E. Leininger) and Research Associate David Clark have participated on a regular or occasional basis. In addition, a sizeable group of United States and foreign students have been involved in program-related research -- as research assistants to faculty members or as candidates for advanced degrees.

2. By engaging a group of foreign development scholars in both the planning and implementation of a major field research effort, the School has been able to develop a strong, international nucleus of scholarly talent in the law and development field. The continuing participation of these scholars represents an invaluable program asset; it also provides a ready means of establishing the new institutional links that will become increasingly important as the program develops.

3. The working papers produced during 1972 and 1973, together with library materials acquired during the grant period, have contributed importantly to the development of a central data base on law and development in Latin America. Over the five-year period of the program this data base will become a prime institutional asset.

V. Utilization of Institutional Resources and Development

All of the University's law and development activities in the period under review are reported elsewhere in this report.

VI. Other Resources for Grant-Related Activities

The costs of all administrative services to the program, except those of direct secretarial support, were borne by the operating budgets of the Law School and University. General overhead costs (including central accounting and administrative services) are estimated at \$50,956. The Law School's unreimbursed outlays for staff salaries and support services related to the program amounted to about \$17,000. In addition, the Law School paid the salary of Professor Lawrence Friedman; the program-related portion of his salary and staff benefits may conservatively be valued at \$10,500. Thus, total costs of \$78,456 -- or more than half of the amounts expended out of the grant during the period -- were borne by the general funds of the Law School and University.

The Law School also drew upon other grant sources for the partial funding of program activities. James P. Rowles, work-study fellow in Costa Rica, received a partial fellowship of \$2,800 from a 1967 Ford Foundation grant to Stanford for the support of international studies. Other program-related costs covered by the Ford Grant amounted to \$2,958.

VII. Next Year's Plan of Work and Anticipated Expenditures

Plans for the coming year (September 1, 1973 through August 31, 1974) will again place heavy emphasis on the field research activities described under III.1. Research, above. AID has approved a total budget allocation of \$180,000 over the two-year period to support these activities. We have earmarked \$30,000 of the total amount for the Italian and Spanish portions of the studies; the balance will support the four Latin American portions in varying amounts averaging about \$18,750 a year. Major items of cost will include the "released time" compensation of the country principals, compensation of their research assistants and consultants, domestic travel, materials and supplies. The total tentative budget for field research in the coming year amounts to \$122,000. Separate contractual arrangements have been made for the support of the country programs. Some of these arrangements entail formal agreements with sponsoring institutions (universities and research institutes) in the countries concerned; others take the form of consulting contracts with the country principals.

During the academic year 1973-74 Professor John Merryman will devote one quarter of his time to directing the six-country research effort and to his own research in law and development. Mr. David Clark will work full-time coordinating the collection of data and will assist in the preliminary analysis of the information gathered. Professor Lawrence M. Friedman and other faculty and staff members will participate without grant support. Total costs of research activities to be conducted at Stanford will be about \$42,000. These will include one-quarter of Professor Merryman's salary, Mr. Clark's full-time salary, part-time secretarial help, student research assistance, travel and subsistence, supplies and materials. Thus, we are planning a total research budget (field and Stanford components) of about \$164,000.

Plans to increase the School's capabilities in law and development training include the selection of one or more recent law graduates for a one-to-two year work-study assignment in Latin America. Total training costs are expected to amount to about \$10,000. We may also expect that the planning of new course offerings, to be added to the curriculum in future years, will be significantly advanced as materials and reports on specific, development-related subjects are received from the country programs.

New library acquisitions and related processing costs will amount to about \$18,000.

As noted above, a single workshop has been planned for October 28-November 2, to review the work of the country programs to that time, especially data collection, and to make any necessary minor revisions in the research design. All of the country principals will be invited to attend. The workshop will be held in the Yucatan, Mexico. For this activity we are budgeting \$7,500, mostly for the travel and subsistence of workshop participants.

Thus, 1973-74 will be the second year of a two-year "second phase" of the program, in which principal efforts will be made to complete collection of the required data for the six country programs and to assemble materials for a series of major, comparative studies on law and development. A total of about \$200,000 in grant funds is being budgeted for the support of the year's activities.

VIII. Report of Expenditures

See Tables I and II, attached.

TABLE I

STANFORD LAW SCHOOL PROGRAM IN LAW AND DEVELOPMENT

Distribution of 211(d) Grant Funds and Contributions from Other Sources of Funding

Review Period September 1, 1972 to August 31, 1973

Grant-related Activities	211(d) Expenditures			Projected to end of Grant (Est.)	Non-211(d) Funding Period under Review
	Period under Review	Cumulative Total	Projected Next Year (Est.)		
Research	\$ 95,742.42*	\$198,127.33	\$164,000.00	\$460,000.00	\$ 13,458.00
Training	7,299.37	10,599.37	10,156.00	120,000.00	2,800.00
Library Acquisitions	19,776.85	24,272.75	18,000.00	90,000.00	-
Workshops	7,175.37	8,375.37	7,500.00	20,000.00	-
Institutional Ties	-	-	-	10,000.00	-
Administrative Support and Overhead					67,956.00
TOTAL	\$129,994.01	\$242,374.82	\$199,656.00	\$700,000.00	\$84,214.00

*Includes \$60,830.55 spent under terms of AID approved agreements with foreign entities/individuals.

TABLE II

STANFORD LAW SCHOOL PROGRAM IN LAW AND DEVELOPMENT

Expenditure Report under Institutional Grant #AID/csd-3151

Review Period September 1, 1972 to August 31, 1973

	Expenditures to Date		Projected Expenditures (Estimate)			Total
	Report Period	Cumulative	Year 3	Year 4	Year 5	
Salaries & Staff Benefits	\$88,874.94*	\$124,085.87	\$139,000.00	\$73,432.00	\$73,432.00	\$409,950.00
Fellowships	5,000.00	60,625.00	20,958.00	20,958.00	20,959.00	123,500.00
Travel and Allowances	12,066.85	27,707.41	15,000.00	6,996.00	6,997.00	56,700.00
Library Acquisitions	17,456.85	20,201.71	18,000.00	27,500.00	14,298.00	80,000.00
Equipment, Materials, and Supplies	6,595.37	9,754.83	6,698.00	6,698.00	6,699.00	29,850.00
TOTAL	\$129,994.01	\$242,374.82	\$199,656.00	\$135,584.00	\$122,385.00	\$700,000.00

*Includes \$55,898 in consulting fees on which Staff Benefits were not paid.