

Houston Philosophical Society Dinner and Lecture

Cohen House, Rice University

21 September 2017

6:00pm cocktails - 9:00pm close

At 7:00pm President Randal Hall welcomed the membership and invited the members to the meeting of the society and encouraged them to enjoy dinner.

At 8:00pm President Hall called the meeting to order. Guest introductions were made around the tables. President Hall announced that forms at the front desk included one for speaker suggestions and one for member nominations. He also reminded members of the New Membership Initiative which was announced during the summer through a letter.

Judge Keyes introduced the speaker and topic: “Law Reform and Economic Development: Examples from the Financial Sector” by William F. Stutts. Mr. Stutts is Senior Counsel, Baker Botts, L.L.P. and Adjunct Professor, University of Texas School of Law.

Mr. Stutts outlined the topic as describing the ways in which states and foreign countries can enhance economic development by transplanting laws and legal customs from other developed countries. He used examples from the financial sector to illustrate these points.

The benefits from a sound legal system are that: 1) there can be predictable results from economic activities, 2) if there is a problem, the law provides a way of minimizing disruption, 3) it provides limitations on how goods/services are used and 4) there is a mechanism for resolving disputes. Mr. Stutts noted that the greater the recognition of property interests, the more stable the community is and more likely to grow.

After World War II, much of Europe and Asia were in dire need of economic redevelopment. Agencies such as the IMF, USAID and donors provided transplantation of US law and aid to help create a framework for redevelopment. When the Soviet Union disintegrated, there were no rules for transition from a centralized economy to a market based economy. In that instance, Russia called on the Harvard Institute for International Development to help create financial markets and law. In a more modern context, the rise of terrorism networks created the need for standard rules to monitor money laundering. Mr. Stutts provided other examples throughout history.

In all cases, Mr. Stutts reminded that the local culture and norms must be taken into account to modify the system being transplanted. In some cases, new words must be created to describe situations such as “bankruptcy”.

Currently, there are both US domestic associations as well as international groups which develop “model laws” to provide a comprehensive and cohesive set of laws to address a particular topic. The goal is to educate and standardize treatments to common problems across political borders. To the extent such model laws are commonly understood and approved, it allows funders in one country to provide funding in others and strengthen commerce. The law, however, lags development of new products and must be continually updated.

After questions from members, the meeting adjourned at 9:00 p.m.

