



Edited by
Manuel Gómez & Rogelio Pérez-Perdomo

BIG LAW

IN LATIN AMERICA & SPAIN

Globalization and adjustments in the provision
of high-end legal services



Big Law in Latin America and Spain

Manuel Gómez • Rogelio Pérez-Perdomo
Editors

Big Law in Latin America and Spain

Globalization and Adjustments in the Provision of
High-End Legal Services

palgrave
macmillan

Editors

Manuel Gómez
Florida International University
Miami, Florida, USA

Rogelio Pérez-Perdomo
Universidad Metropolitana
Caracas, Venezuela

ISBN 978-3-319-65402-7 ISBN 978-3-319-65403-4 (eBook)
<https://doi.org/10.1007/978-3-319-65403-4>

Library of Congress Control Number: 2017958611

© The Editor(s) (if applicable) and The Author(s) 2018

This work is subject to copyright. All rights are solely and exclusively licensed by the Publisher, whether the whole or part of the material is concerned, specifically the rights of translation, reprinting, reuse of illustrations, recitation, broadcasting, reproduction on microfilms or in any other physical way, and transmission or information storage and retrieval, electronic adaptation, computer software, or by similar or dissimilar methodology now known or hereafter developed.

The use of general descriptive names, registered names, trademarks, service marks, etc. in this publication does not imply, even in the absence of a specific statement, that such names are exempt from the relevant protective laws and regulations and therefore free for general use. The publisher, the authors and the editors are safe to assume that the advice and information in this book are believed to be true and accurate at the date of publication. Neither the publisher nor the authors or the editors give a warranty, express or implied, with respect to the material contained herein or for any errors or omissions that may have been made. The publisher remains neutral with regard to jurisdictional claims in published maps and institutional affiliations.

Cover illustration: Rafael Pasquini / EyeEm

Printed on acid-free paper

This Palgrave Macmillan imprint is published by Springer Nature
The registered company is Springer International Publishing AG
The registered company address is: Gewerbestrasse 11, 6330 Cham, Switzerland

ACKNOWLEDGMENTS

The research that forms the basis of this book could not have been conducted without the cooperation of the many lawyers and other legal professionals, business people, corporate officers, government officials, scholars, and other individuals interviewed for the different the chapters. In order to encourage candor and respect the professional careers of those involved and their organizations, we agreed to keep the identity of our interviewees confidential, except when they agreed to be identified. We gratefully acknowledge their willingness to give of their time and to share their knowledge, experience, and perspectives.

The collaborative effort that produced this book was initiated by an international conference sponsored by Stanford Law School in 2014 through its Center for the Legal Profession, and a generous gift from Sidley Austin LLP. We gratefully acknowledge the support of all those who contributed to the discussion, and those who provided feedback and valuable comments during presentations at the Annual meetings of the Law and Society Association in Minneapolis (2014), Seattle (2015), New Orleans (2016), and Mexico City (2017). We especially thank Deborah R. Hensler for her invitation to participate in the Stanford Project on the Future of the Legal Profession, and for her continued support. All of the authors gratefully acknowledge the support of their home institutions for their research and writing and for enabling the group to convene in various parts of the world to share their findings. The co-editors would like also to thank Marisol Floren-Romero at Florida International University College of Law for her valuable research assistance throughout the project, and to Marcus Nielsen for his help during the final stages of the editorial process.

CONTENTS

Part I	Introduction	1
1	Corporate Lawyers and Multinational Corporations in Latin America and Spain: 1990–2015	3
	Manuel Gómez and Rogelio Pérez-Perdomo	
Part II	Big Law in Latin America and Spain	25
2	Law Firms in Argentina: Challenges and Responses to a Crisis	27
	Maria Inés Bergoglio	
3	Big Law in Brazil: Rise and Current Challenges	63
	Mariana Conti Craveiro and Manuel Gómez	
4	Big Law in Chile: A Glance at the Law Firms	83
	Iñigo de la Maza Gazmuri, Rafael Mery Nieto, and Juan Enrique Vargas Viancos	

5	Big Law in Central America, Panama and the Dominican Republic: Growth Strategies in Small Economies	123
	Carlos Taboada and Manuel Gómez	
6	The Rise of Big Law in Colombia	155
	Everaldo Lamprea and Mariana Díaz Chalela	
7	Global and Traditional: A Profile of Corporate Lawyers in Mexico	177
	Rodrigo Meneses-Reyes and José Antonio Caballero	
8	Lawyers and Globalization in Peru (1990–2014): Challenges in the Shadows	197
	Gorki Gonzales Mantilla	
9	Big Law in Spain: A Dynamic Ecosystem	241
	Marisa Méndez Sordo	
10	Big Law in Venezuela: From Globalization to Revolution	287
	Manuel Gómez and Rogelio Pérez-Perdomo	
Part III The Bigger Picture		321
11	Reconstructing Big Law: The Big Picture	323
	Deborah R. Hensler	
12	Big Law Today and Tomorrow	331
	Lawrence M. Friedman	

Part IV Looking Ahead	341
13 Conclusion	343
Manuel Gómez and Rogelio Pérez-Perdomo	
Index	349

LIST OF FIGURES

Chart 4.1	New Lawyers (1960–2013)	88
Chart 4.2	Evolution of the main Chilean law firms	91
Chart 6.1	Ratio of lawyers per 100,000 inhabitants	161
Chart 7.1	Areas of specialization of law firms in Mexico (2014)	189
Graph 9.1	Evolution of turnover and numbers of lawyers. Top 20 2013	252
Graph 9.2	Total revenues of top 20 law firms (2013) according to founding year	253
Graph 9.3	Increase in the number of lawyers at the 20 largest firms 1997–2013	269
Graph 9.4	Growth rates of the legal sector 1997–2013	272

LIST OF TABLES

Table 1.1	Number of lawyers (estimate) in five Latin American countries and Spain (1990–2015)	8
Table 1.2	Business law firms in seven Latin American countries by size (1999–2015)	15
Table 1.3	Ten largest business law firms in seven Latin American countries by size	16
Table 1.4	International law firms with most presence in six Latin American countries (1999–2015)	18
Table 2.1	Large law firms in Latin America	34
Table 2.2	Firms' structure in 2006 and 2014	39
Table 2.3	Types of university in different periods	42
Table 2.4	Postgraduate studies by position in the firm and period	43
Table 2.5	Gender composition of large firms	49
Table 2.6	Associate/partner rate, 2006–2011	50
Table 2.7	List of law firms included in the research	53
Table 2.8	Law graduates from Argentine universities, 2002–2011	54
Table 3.1	Brazilian law firms by area of specialization (2015)	76
Table 4.1	Firms according to the number of lawyers	93
Table 4.2	Lawyers according to the category in the firm	94
Table 4.3	Professions in the law firms	98
Table 4.4	Second language mastered by lawyers	100
Table 4.5	Language of the websites	101
Table 4.6	Lawyers according to gender	103
Table 4.7	Lawyers according to the country where they completed their undergraduate studies	103
Table 4.8	Lawyers according to universities where they completed their undergraduate studies	104

Table 4.9	Lawyers with postgraduate studies	105
Table 4.10	Countries where lawyers completed their Master's degree	105
Table 4.11	Main universities where lawyers completed their Master's degree	106
Table 5.1	Largest Costa Rican law firms by number of lawyers (2000–2015)	131
Table 5.2	Costa Rican law firm members with foreign graduate studies and foreign language skills as reported in 2000, 2005 and 2010	131
Table 5.3	Largest law firms of El Salvador by size (2000–2015)	135
Table 5.4	El Salvador law firm members with foreign graduate studies and foreign language skills as reported in 2000, 2005 and 2010	135
Table 5.5	Largest law firms of Guatemala by number of lawyers (2000–2015)	138
Table 5.6	Guatemala law firm members with foreign graduate studies and foreign language skills as reported in 2000, 2005 and 2010	139
Table 5.7	Honduras largest law firms by size (2000–2015)	140
Table 5.8	Honduras law firm members with foreign graduate studies and foreign language skills (2000, 2005 and 2010)	141
Table 5.9	Nicaraguan law firms by size (2000–2015)	142
Table 5.10	Nicaragua law firm members with foreign graduate studies and foreign language skills as reported in 2000, 2005 and 2010	143
Table 5.11	Panamanian law firms by size (2000–2015)	146
Table 5.12	Panamanian lawyers by foreign language skills and graduate studies (2000–2010)	147
Table 5.13	Ranked Panamanian law firms (2015)	148
Table 5.14	Dominican Republic law firms by size (2000–2015)	149
Table 5.15	Dominican lawyers by foreign language skills and graduate studies (2000–2010)	149
Table 6.1	Number of employees: Associates and Partners (2017)	164
Table 6.2	Number of areas of practice for top eight Colombian law firms (2017)	164
Table 6.3	Top eight Colombian law firms by revenue (2017)	166
Table 6.4	Big Lawyers and LL.M. graduates from top ten law schools (2017)	171
Table 7.1	A decade of change in the legal profession in Mexico (2004–2014)	182
Table 8.1	Peruvian GDP growth rate between 2000 and 2010	207
Table 8.2	Lawyers by department in 2015	210
Table 8.3	Peru's largest law firms	213

Table 8.4	Segmentation of the legal profession by fields (number of lawyers)	219
Table 8.5	Main fields of practice of four leading law firms	221
Table 8.6	Perception of the profitability fields	222
Table 8.7	Firm's composition	224
Table 8.8	Corporate structures of law firms	225
Table 9.1	Top 20 Spanish law firms by revenue (2013)	250
Table 9.2	Growth trends of the 2013 top 20 law firms—number of lawyers	251
Table 9.3	Number of lawyers in law firms 1987–1997	261
Table 10.1	Law graduates in Venezuela from 1950 to 2015	291
Table 10.2	Ups and downs of Venezuelan law firms (1990–2015)	300

PART I

Introduction

Corporate Lawyers and Multinational Corporations in Latin America and Spain: 1990–2015

Manuel Gómez and Rogelio Pérez-Perdomo

This book explains the changes that have occurred in the provision of high-end corporate legal services in 15 Latin American countries and Spain between 1990 and 2015. We use the term high end to denote sophisticated, complex, and generally costly legal work demanded by multinationals, large domestic corporations, and other business clients. This type of work is usually performed by teams of prestigious lawyers and other professionals through large or mid-sized multiservice or highly specialized firms with more than one office and an internal organizational hierarchy. Other lawyers offer their professional services through small and highly specialized (boutique) law firms. These lawyers and the law firms to which they belong are the main providers of legal services in the corporate world and are precisely the focus of this collective work.

The modern infrastructure, visibility and corporate image, organizational arrangement, and client management strategies employed by these

M. Gómez (✉)

Florida International University College of Law, Miami, FL, USA

R. Pérez-Perdomo

Universidad Metropolitana, Caracas, Venezuela

© The Author(s) 2018

M. Gómez, R. Pérez-Perdomo (eds.), *Big Law in Latin America and Spain*, https://doi.org/10.1007/978-3-319-65403-4_1

Latin American law firms resemble the so-called “Big Law” of the United States. As a result, this book uses the term “Big Law” to also refer to the Latin American firms that share those same features. The chapters that comprise this volume address the evolution and recent changes affecting the corporate legal sector providers in the selected countries, taking into account their specific social, political, and economic context.

The research presented here is drawn from a combination of interview and quantitative data, historical records, and other sources, which enabled the authors to paint a dense and contextualized sketch of the corporate legal services sector, and more generally about the legal profession of each country. This book covers the majority of countries in Latin America. It includes studies about countries ranging from the main economies like Brazil and Mexico to smaller ones like Nicaragua. This book also includes a chapter on Spain, given the strong historical, economic and political ties between Latin America and Spain, and the recent expansion of Spanish law firms into Latin America. This book pays special attention to the heightened interaction between Spanish and Latin American enterprises and their lawyers during recent times.

The time span covered in this book (1990–2015) has been a period of intensification of cross-border trade, migratory movements, the rise of different forms of communication, and other technological advancements. These are also times of important social, political, and cultural transformations, not only in the Americas and Spain but also globally. On the other hand, during these years, the world has faced unique challenges regarding threats to the protection of human rights, the legitimacy of democratic institutions, the preservation of the environment, and the attainment of equality, peace, and security.

Concern for these issues is not confined to the geographical boundaries of a single country, but has rather crossed over to the regional and global arenas. The term globalization is generally used to convey this phenomenon. Globalization means diffusion, influence, and movement, but not always in the physical sense. The dissemination and movement can also be of ideas, images, thought processes, and patterns of behavior. In this sense, globalization is undoubtedly a cultural phenomenon (Friedman 2001; Giddens 1999).

Whether directly or indirectly, globalization has had an impact on the role of lawyers in society, and more generally on the function of law. Some areas such as international trade and business law are more susceptible to be affected by globalization than, say, tenant-landlord regulations. The same occurs to the lawyers and other legal professionals who practice or specialize in those areas. Legal professionals who handle cross-border

transactions or working for multinational corporate clients tend to be more familiar with foreign and international laws, practices, and global trends, than those representing juvenile offenders in local courts. However, the world is not neatly divided between globalized and non-globalized law, or between fully globalized and fully domestic lawyers. What occurs in reality is that both the international/globalized and the domestic/local dimensions of the law are generally intertwined, or, at the very least, exist and operate in parallel. Friedman (2001) has used the term “legal diglossia” to identify this phenomenon, which seems to be common in the high-end corporate legal sector of most Latin American countries and Spain, and demands practitioners with both local and international competence.

The bulk of the official law enacted by the national legislatures has remained domestic both in content and scope, and legal education continues to primarily train students to practice law in their own countries. Notwithstanding, the law firms that provide services to multinational corporate clients—which is the subset that occupies our attention—appear to have become “boundaryless” regarding their organizational structures, their relationship with their clients, and the type of services they offer. Many of the law firms whose members were interviewed for this book exemplify this trend.

The globalization of Latin American and Spanish business lawyers should come as no surprise if one takes into account the fact that their clientele is comprised mainly of large corporations, national, foreign, or multinational. The way in which these lawyers organize their practices, carry out their activities, and business relationships is consistent with a rapidly expanding transnational reality. As a result, the lawyers that serve such clients are obviously pressured to meet the increasingly complex demands of the market, and to align or synchronize their structure with that of their clients. At the same time, those lawyers are expected to stay attuned to their domestic legal landscape and the changes affecting their own legal system.

The corporate legal sector of the United States is the most common and certainly the best- documented reference of this phenomenon. After all, it is where many of the multi-service, multi-office law firms originated, developed, and continue to exist. The fact that the United States is the benchmark should come as no surprise because many of the important players in the business world, who demand the services of the aforementioned lawyers, are also American corporations with a worldwide presence.

As mentioned earlier, the term *Big Law* was precisely coined to identify the American firms that fit this bill, and more generally the stratum where they operate. Needless to say, *Big Law* does not mean that the type of law practiced by their members is bigger or more important than the law handled by solo practitioners that represent the rest of us mortals. In this sense, there is no substantive difference between small law and Big Law. There are instead different work styles, client management strategies, organizational arrangements, and levels of expertise and experience needed from the lawyers and other professionals, depending on the complexity of the relevant legal issues, the parties involved, and the financial stake.

More than 30 years ago, Galanter (1983) aptly called *mega-lawyering* the occupation of the legal professionals operating in complex, transnational, and high-stake environments. What appears to have occurred since then, though, is that mega-lawyering is not confined anymore to large high-end corporate law firms, but has also permeated—to varying degrees—the realm of NGOs, in-house legal departments, and other organizations. For this book, we undertook the task to investigate the lawyers whose services are demanded by large and mid-size corporate clients in the selected countries or transnationally. We were particularly interested in learning how those lawyers are organized, and how the development of the business sector, and, more broadly, how the social, economic, and political conditions of each country has influenced them.

One cannot accurately ascertain the role of *Big Law* in Latin America and Spain without looking at the legal profession as a whole and the changes that have resulted from globalization. In the remainder of this introductory chapter, as a way to prepare the context for the rest of the book, we briefly discuss the growth and transformation of the legal profession in Latin America and Spain. We then turn to analyze the rise and transformation of the corporate law firms in the region, and finally, we discuss the internationalization—or globalization—of business lawyering as a roadmap for the rest of the book.

LEGAL PROFESSION: GROWTH AND DIVERSIFICATION

One of the main difficulties posed to anyone undertaking a comparative study of the legal profession is to ascertain the criteria used by each country to determine who is a lawyer and who is not. Clarifying this concept is crucial for understanding the landscape of the legal profession, its structure, internal dynamics, the different occupations of legal professionals,

and the role of lawyers in society. Fortunately, in the countries represented in this book, the meaning of “lawyer” is basically the same: a person authorized to give consultations and appear in court (i.e. practice law) upon the award of a professional degree by an academic institution.

Whether that person actually practices law or not is a different question, and it does not affect their lawyer title. In all the countries represented in this study, the conferral of a law degree is the result of the successful culmination of several years of formal studies at the undergraduate level in a law school. Most law schools are integrated into universities, which subjects them to many rules and standards usually set by the Ministry of Education or an equivalent government agency.

In most Latin American countries and Spain, the completion of a standard law school curriculum is sufficient to graduate and obtain the qualification to practice law. The two notable exceptions are Brazil and Spain. In the case of Brazil, aspiring lawyers are required to take a special qualification exam administered by the Order of Attorneys (*Ordem dos Advogados*) as a prerequisite to obtain the license to practice law. In Spain, special legislation that entered into force in 2011 requires law graduates to take additional professional skills courses, do practical training, and pass a written examination supervised by the Ministry of Justice. The purpose of these additional requirements, some of which are common in many European countries and the United States, is to ensure that those entering the legal profession meet some minimum standards of quality and experience.

Despite the formal entry barriers to the legal profession, one clear trend in Latin America and Spain has been the accelerated growth in the number of lawyers, at a much higher rate than in the rest of Europe and the United States, although the baseline considered by scholars in determining the latter was higher (Galanter 2011). It is important to note that in Latin America and Spain, the number of lawyers refers to people authorized to practice law, and not necessarily to those actually practicing it. The hypothesis is that the latter number is much smaller given that legal studies are usually offered at the undergraduate level, and their content is general enough which many law graduates regard as a basic foundation for several professional occupations, careers, or employment, not necessarily directly related to the practice of law.

Table 1.1 contains the most recently available data regarding the number of lawyers in five Latin America and Spain between 1990 and 2014, with some important caveats. The first one has to do with the lack of uniformity

Table 1.1 Number of lawyers (estimate) in five Latin American countries and Spain (1990–2015)

<i>Country</i>	<i>1990</i>	<i>2000</i>	<i>2014–2015</i>
Brazil	148,875	N/A	839,758
Chile	9308	11,400	40,000
Colombia	N/A	112,000	225,000
Spain	55,076	98,922	249,694
Mexico	141,538	200,000	321,000
Venezuela	31,350	66,383	181,367

Sources: Data for 1990 and 2000: Pérez-Perdomo (2006: 110, 2006b: 14). Data for 2003–2004: CEJA (2005). Brasil 2014: Gómez and Conti, this volume. Spain 1990: Toharia (2003); Spain 2000 and 2014: Méndez, this volume. México 2014: Meneses and Caballero, this volume. Colombia 2013: Bosqué: “Colombie/Un barreau en devenir”. *La semaine juridique* 39, 2013. Venezuela 2015: Gómez and Pérez Perdomo, this volume

in the data collection procedures across countries and institutions. There are no uniform or official criteria regarding the collection of information about lawyers. In each country, the source may be different whereas in some countries, the data comes from a government agency in charge of compiling statistics or official census data; in others, the data might be collected by a university, bar association, or the welfare organization in charge of administering the insurance that lawyers are required to take.

Such disparity may obviously hinder the possibility of doing a proper comparison, which makes intra-country comparisons much easier to do given that national data often follows the same criteria, methodology, and are collected by the same institution. As a result, Table 1.1 might be more useful to observe the changes that occurred within a particular country than across several of them. We included countries for which two or more numbers were available regarding our period of study.

Alongside a significant increase in the number of lawyers in the region, the number of law schools also experienced an exponential growth during the last decades. Unsurprisingly, the number of students enrolled in their academic programs rose as well. Two dramatic examples of the growth in the number of law schools are Brazil and Mexico, each with more than 1000 law schools at the time of writing. The curricula, teaching methods, educational materials, faculty, infrastructure, and overall quality of the law schools within each country also vary greatly, which in turn contributes to their placement in the—mostly unofficial—rankings and reputation.

Historically, legal education across Latin America and Spain was very similar. The curricula, which usually required around five years of formal enrolment in a law school, contained the same list of courses—all mandatory—designed to provide a broad and general intellectual platform to the future lawyers. History, philosophy, and political economy were usually offered along with more traditional legal courses like criminal law, civil law, and constitutional law. Courses on alternative dispute resolution and human rights were nonexistent, partly because these fields had not fully developed yet. Unlike in the United States where law students are taught through the discussion of court cases, legal reasoning, and other lawyering skills deemed necessary for their trade, the future lawyers of the Latin countries were exposed to a general education and a systematic vision of law.

To this end, the main course materials used in law school were handbooks and commentaries written by the professors largely inspired by classical treatises of prominent French, Italian, German, and Spanish scholars of the nineteenth century. Some courses incorporated more recent handbooks authored by national authors—mostly the drafters of the relevant legislation—whereby they analyzed the pertinent legal provisions or underlying theories connected to the subject matter, but always keeping their European forbearers present. Given the historical connection between Latin America and Latin Europe, it was common for the law curricula of the former to devote attention to the study of European legislation such as the Code Napoléon of 1804, the Franco-Italian Draft Code of Obligations, or the Spanish Penal Code of 1870. The use of cases was limited, and the main pedagogical tool was the lecture (*clase magistral*, in Spanish) by the professor and the memorization of concepts by the students.

The recent years have witnessed important changes in the legal education of Latin America and Spain. The convergence of several factors, including an upsurge in the number of law schools, changes in the legal market, and the influence of globalization have motivated their leadership to innovate. The leading law schools in most countries have undertaken important changes in their curricula. Courses on international trade, corporate finance, human rights, environmental law, arbitration, mediation, and negotiation have populated the offerings. Clinical legal education, moot court competitions, exchange programs with foreign universities, and other opportunities to foster oral advocacy skills, practical experience, and international and comparative law concepts have also been added to the academic

offerings. Furthermore, some law schools have added courses taught in foreign languages to their programs and increasingly encourage their students to become multidisciplinary by exposing them to other fields that might overlap with law, mostly in the realm of science and technology (Gómez 2014).

There has also been a change in the intellectual production of legal scholars. Academic law journals and other scientific publications have proliferated throughout the region, and the production of academic work has increased as well (Pérez Perdomo 2014a, 2015). The type of research being disseminated nowadays is not limited anymore to the interpretation of legal texts and court cases, but also empirical research addressing the relationship between law, culture and society, economics, and politics. These changes are also a response to the competition that exists between law schools and the job market for lawyers and the stratification of the legal profession. The incredible variations that exist among law programs in the region—and even within countries—rule out the idea that there is just one type of legal education being offered in Latin America. The landscape is vast and very diverse.

Another important development of the last two decades has been the flow of Latin American and Spanish lawyers toward foreign countries—primarily the United States—to pursue postgraduate degrees in law in order to acquire knowledge and sometimes even practical experience in transnational legal fields. Some foreign lawyers go beyond obtaining an academic degree and seek to become licensed to practice law in states like New York, California, and Texas, whose rules allow foreign lawyers to join the local legal profession. Conversely, United States' law schools have expanded their academic offerings to respond to the foreign demand, which has also impacted the legal profession in the United States (Vides et al. 2011).

The government and the corporate sector are currently the main employers of lawyers in Latin America. This should come as no surprise given that their activities generate all sorts of complex and mundane legal work. In this sense, most public and private institutions are, according to Galanter (1974), *repeat players*. Their frequent use of the legal system and interaction with lawyers puts them in a different category from, say ordinary citizens, who tend to use lawyers much less frequently if at all. For the most part, the average person retains a lawyer only when there is an important legal conflict in their lives that requires the intervention of an expert, like in the case of a divorce, a criminal prosecution, or a civil lawsuit. These

events are exceptional occurrences, so is their interaction with lawyers. Galanter (1974) used the term *one shooter* to refer to the occasional users of the formal legal system.

The bigger an organization is, and the more resources it mobilizes, the greater the likelihood that it will require the services of a lawyer. The size and economic capacity of the client and the complexity of its activities also determines the frequency with which lawyers are employed and the qualifications and skills demanded from those lawyers. In addition to being repeat players, large multinational companies or government entities tend to also have the financial capacity to assemble large legal teams and hire specialized lawyers, sometimes in different parts of the world, depending on their needs. In addition to being *repeat players*, Galanter (1974) would also call them *haves*.

Lawyers have responded to the demand of these *haves* by creating multinational law firms and other similar arrangements, and by honing their skills in areas of practice that match the activities of their clients. Law firms, however, are not the only organizational forms through which lawyers serve the business sector or the government. Another traditional structure frequent in medium-sized to large companies, state agencies, and other organizations is the legal department or in-house counsel. It consists of a lawyer or a team of lawyers, and perhaps other professionals, whose main activity is to advise and represent an organization in all of its routine legal affairs. In-house counsel might frequently coordinate the work of external lawyers, including setting their fees. They also serve as information brokers between the company management and the outside world.

As the name suggests, the in-house counsel is a unit within the company, in other words, a single-client lawyer (Van Houtte 1999; Liggio 1997). The size of the legal department varies depending on the need of the organization they serve and other factors, and it may range from one or a few members to hundreds of lawyers spread across multiple locations. For example, when Pérez Perdomo (2001) studied the legal department of Venezuela's state-owned oil company PDVSA, it was the largest legal service provider in the country, with more than 140 lawyers. At that time, the largest law firm in the country, Baker & McKenzie did not even reach the 100-lawyer mark.

If we look outward, in addition to large multiservice law firms, business clients may also retain the services of much smaller but highly specialized law firms, which professionals are highly regarded because of their

reputation in that particular niche. These types of law firms are known as *boutiques* to signify the exclusivity of their services, their ability to offer personalized attention to their clients, and the commensurate high price charged by their professionals. Boutique law firms have become important players in the legal sectors of Latin America and Spain, and many of them have resulted from the spinoff of a practice group or specialized department at large multi-service law firms.

On the other end of the spectrum, we find the *grand advocates* (Galanter and Robinson 2013), that is, influential and prestigious lawyers who are highly regarded in a particular area of law. These grand advocates tend to work independently with a small support team, their portfolio of clients is very exclusive, and the matters they handle are usually of high importance. These grand advocates are well regarded not only because of their technical expertise but also because of their ability to navigate the legal system, and more importantly because of their influence and political connections.

Criminal defense lawyers are perhaps the most common type of grand advocates found in Latin America. More recently, the upsurge of constitutional and human rights-related litigation has also seen the emergence of grand advocates in those areas. Most corporate clients do not generate sufficient criminal or constitutional matters that merit the hiring of a criminal defense or a constitutional law specialist to join their legal department. Even if they did, most grand advocates value their independence and social and political capital and therefore have no incentive in being absorbed by a large organization. This may help explain why multiservice law firms do not have grand advocates among their members.

Despite the important contribution of the grand advocates, in-house counsel, and boutique law firms to the development of the high-end corporate legal sector in Latin America and Spain, the most visible players are still the multiservice firms. We now turn our attention to these players, which have gained visibility in handling significant commercial transactions or complex legal matters usually on behalf of multinational corporations, government entities, and other similar clients.

THE GROWTH OF MULTISERVICE BUSINESS LAW FIRMS

Interestingly, most of the law firms that handle the bulk of foreign investment legal work and other important business matters are themselves multinational enterprises. The largest firms have thousands of lawyers and offices in many parts of the world. As of now, Dentons is the largest law

firm globally in terms of size, with more than 7,300 lawyers. This astronomical figure resulted from a recent merger involving a Singaporean firm (Rodyk) and an Australian firm (Gadens). The second largest law firm in the world is Baker & McKenzie with 4,245 lawyers, and the third place goes for DLA Piper, which has 3,700 lawyers. Other forms of measuring the size of these law firms are revenue and number of offices in different countries (global expansion). Of the three law firms mentioned above, Baker & McKenzie is the one with the largest presence in Latin America: 850 lawyers, 15 offices, and 7 countries. As we will see in this book, Baker & McKenzie was also the first American law firm to establish an outpost south of the border by opening an office in Caracas more than 60 years ago (Gómez and Pérez Perdomo, [in this volume](#); Bauman 1999).

The current Latin American landscape of foreign law firms has changed dramatically during the last decades. Aside from United States-based firms like White & Case, Skadden Arps, Jones Day, and Hughes Hubbard, Latin America has seen the arrival of European firms like Spain's Garrigues and Uría Mendéndez, as well as Great Britain's Clyde & Co. Although many international or foreign firms are still identified by the country where they were first established, or where their management is located, some of the largest ones cannot be tied to a particular country anymore. The structure adopted by these "global" firms often comprises complex layers of partnerships and other arrangements, under a decentralized leadership operating on behalf of a voluntary association such as a Swiss *verein*. Dentons, Baker & McKenzie, DLA Piper, Hogan Lovells, Norton Rose Fulbright, and Squire Patton Boggs, all with presence in Latin America, are some of the most visible examples.

Because of local regulatory restrictions or other factors, some foreign law firms do not have their own offices in Latin America, but rather a local representative, "best friend" alliance, or mutual referral arrangement with local lawyers. Others—usually the smaller foreign firms—are tied to their Latin American and Spanish counterparts through professional networks like Lex Mundi and Affinitas, or Latin America's Bomchil Group.

Latin American lawyers have not taken the back seat in this situation. On the contrary, the regional law firm market has also grown exponentially, although in a different scale compared to the United States. Some countries have witnessed the rise and consolidation of local law firms and their expansion from small family-owned practices to large and strong organizations with multiple offices, hundreds of lawyers, and the capacity to compete with the largest global players in their own turf. Pinheiro Neto

and Mattos Filho from Brazil, Allende & Brea from Argentina, Ferrere from Uruguay, Brigard & Urrutia and Posse Herrera Ruiz from Colombia, and D'Empaire Reyna & Bermúdez from Venezuela are some examples.

In this book, we are both interested in the local actors and their foreign counterparts. The central focus of our query are the mid-sized and large Latin American and Spanish law firms and also the international firms with a presence in Latin America and Spain. Our original intention was to separately study the international firms established in Latin America and Spain and the local firms. Notwithstanding, as soon as we began our research, we realized that such distinction was not meaningful—the vast majority of lawyers and other professionals employed by international firms are local. Conversely, many of the domestic firms that exist throughout Latin America and Spain have developed such strong international connections that make them look like international firms. The initial revelation was that most business law firms—regardless of their country of origin—are always international. They maintain strong ties with lawyers from around the world, much of their work is conducted in English and other languages, their client management strategies and billing criteria are the same with local adaptations, and their professionals have both training and knowledge in the legal systems and cultures of countries different from their own.

The size of the law firms is relative to the time and place. In the United States, during the 1960s, a firm with 100 lawyers was considered large (Smigel 1964; Galanter 1983). Currently, a large firm in the United States has to have more than 1,000 lawyers, and a firm with 100 members is regarded as medium-sized or small. There is also a correlation between the size of a law firm, the degree of specialization of its members, and the range of services offered to its clients. The larger firms count on multiple specialists, who are often divided into departments or practice groups across different locations. As a result, those law firms are able to offer multinational clients a panoply of services suited to their industry or specific activity. They are, in other words, a one-stop shop when it comes to corporate legal services.

The reality of the Latin American legal market is different from that of the United States in some ways. The average size of a business law firm is much smaller in Latin America, but their infrastructure, client management strategies, and overall organization are often very similar to their US counterparts. In most Latin American countries, a law firm of 100 lawyers is considered large in terms of size. Moreover, some countries do not even have law firms that reach that number, but the multinational clients still

deal with them as if they were Big Law. Table 1.2 shows the evolution—in terms of size—of business law firms in seven Latin American countries between 1999 and 2015.

As we can see, the number of law firms with more than 100 lawyers has grown, although at a different pace across countries. The most dramatic changes have occurred in Brazil and Venezuela. Whereas the former has experienced the biggest growth, the number of firms in Venezuela has increased only slightly. Another important change shown in Table 1.3 is the growth in the average number of lawyers at the ten largest firms of the same seven countries.

Whereas the data shows a general growth in the number of lawyers and the size of business law firms, not all the changes occur for the same reasons. A decrease in the number of firms, for example, may have resulted from the fact that some law firms absorbed smaller ones or merged with

Table 1.2 Business law firms in seven Latin American countries by size (1999–2015)

<i>Country</i>	<i>Number of lawyers</i>	<i>1999</i>	<i>2009</i>	<i>2015</i>
Argentina	100+	2	3	5
	50–99	7	10	7
	20–49	10	6	8
Brazil	100+	4	15	20
	50–99	4	11	23
	20–49	10	9	15
Chile	100+	0	1	2
	50–99	1	4	7
	20–49	7	7	9
Colombia	100+	0	0	3
	50–99	0	4	2
	20–49	8	5	7
Mexico	100+	1	2	3
	50–99	2	10	9
	20–49	7	14	18
Peru	100+	0	1	4
	50–99	1	4	8
	20–49	4	10	6
Venezuela	100+	0	0	0
	50–99	1	1	2
	20–49	11	13	7

Source: Pérez Perdomo (2014b), Latin Lawyer 250 (2015)

Table 1.3 Ten largest business law firms in seven Latin American countries by size

<i>Country</i>	<i>1999</i>	<i>2015</i>	<i>Growth</i>
Argentina	85.4	114.6	134%
Brazil	87.3	372.8	427%
Chile	29.5	87.9	298%
Colombia	25.4	67.5	266%
Mexico	56.1	97.7	174%
Peru	26.2	98.6	376%
Venezuela	41.5	40.4	-1%

Source: Latin Lawyer 250 (1999, 2015)

their competitors. Conversely, an increase in the number of lawyers at a firm or in the number of firms may be the consequence of individual lawyers or entire departments moving from one firm to another, or becoming independent and establishing their own firm.

There also appears to be a correlation between law firm growth and the economic performance of a country. Variations in the rate of investments are a useful example. If we look at Argentina, for instance, one of the most important economies of the region, we can see that by 1999 its business law firms rivaled their Brazilian counterparts in terms of average size. In 2009, Argentina felt slightly far behind Brazil, but by 2015, the gap between the two was much wider. This latter period coincided with a decrease in the Argentine economy and an expansion of the Brazilian economy (Bergoglio on Argentina and Craveiro and Gómez on Brazil, in this volume). In México the size of the ten largest law firms almost doubled between 1999 and 2015 (Meneses and Caballero, in this volume). Chile and Colombia, where the average size of business law firms almost tripled between 1999 and 2015, also had a period of economic expansion (De la Maza et al. on Chile, and Lamprea and Díaz Chalela on Colombia, in this volume). In the case of Peru, the growth during the same period is 376 per cent (González Mantilla, in this volume). Conversely, Venezuela has experienced stagnation with just a slight negative variation, which should come as no surprise given the deep crisis that has affected the country during the entire period (Gómez and Pérez Perdomo, in this volume).

Central America is the least explored sub-region. Upon gaining independence from Spain, the territories of present-day Nicaragua, Costa Rica, El Salvador, Honduras, and Guatemala formed a federation called

United Provinces of Central America, and later on the Federal Republic of Central America. The five republics that exist today were formed upon the federation's dissolution in 1824. Their combined population is of approximately 44 million inhabitants, and their territory occupies 522,760 km² of land.

Since becoming independent, these countries have developed their own legal and political systems, and their societies have taken their own path. Notwithstanding, there have also been important efforts toward the formation of a common economic market. The establishment of regional law firms with presence in the capital of the different countries of the region is a testament of it. *Latin Lawyer 250* (2009) reported the formation and rapid expansion of some of these firms, in part because of the upsurge of regional transactions between Central America and the rest of the world (Taboada and Gómez, in this volume).

The absence of ethical rules that require Central American law firms to carry the last name of their partners has allowed them to adopt evocative names such as Consortium, BLP or Lexincorp. In terms of size, Central American law firms are no different from their counterparts in the rest of the region. For example, Consortium Legal has 143 lawyers, while Lexincorp has 80 lawyers. There are also regional law firms that originated in one country and then expanded to other countries while keeping the original names of their founders. Some examples are Aguilar Castillo Love, Arias & Muñoz (112 lawyers), and Pacheco Coto (38).

Compared to the rest of the region, the economies of Central American countries are small, but their integration efforts and their opening to foreign investment have created an incentive for a robust corporate legal sector to emerge. The success of some of the recently formed regional law firms lies in their capacity to operate across national borders, which brings our attention to the more general theme of internationalization of business lawyering.

INTERNATIONALIZATION OF BUSINESS LAWYERING IN LATIN AMERICA AND BEYOND

In 2015, the legal industry guide, *Latin Lawyer 250*, published a list of 48 international firms with a presence in Latin America. Six years earlier, the same publication did not contain such a list. This does not mean that in 1999 there were no international firms in the region, but their presence might not have been as noticeable as it is currently. Table 1.4 contains a

Table 1.4 International law firms with most presence in six Latin American countries (1999–2015)

<i>Country</i>	<i>Law firm</i>	<i>1999</i>		<i>2015</i>	
		<i># Lawyers</i>	<i>Position</i>	<i># Lawyers</i>	<i>Position</i>
Argentina	Baker & McKenzie	55	9	54	11
Chile	Baker & McKenzie	0	0	42	10
Colombia	Baker & McKenzie	0	0	69	5
Colombia	Holland & Knight	0	0	31	8
Colombia	Norton Rose Fulbright	0	0	22	12
Mexico	Baker & McKenzie	105	1	215	1
Mexico	White & Case	32	9	64	10
Mexico	Curtis Mallet Prevost	22	14	0	0
Mexico	Hogan Lovells	0	0	77	7
Peru	Baker & McKenzie	0	0	101	4
Venezuela	Baker & McKenzie	76	1	60	1
Venezuela	Steel Hector & Davis	22	13	0	0
Venezuela	Norton Rose Fulbright	15	14	41	5

Source: Latin Lawyer 250 (1999–2015)

list of international law firms with most presence in the region between 1999 and 2015.

Despite the fact that the list of international firms with presence in Latin America is close to 50, only few of them have the largest offices in each country. Baker & McKenzie is at the top of that list with the largest law offices in Venezuela and Mexico. Baker's other Latin American outposts include Chile, Colombia, Argentina, Peru, and Brazil. The case of Brazil is particularly interesting when it comes to the penetration of foreign firms. Notwithstanding the enormous size of the Brazilian economy and its regional and global importance, its national legal sector is strongly protected. The local bar associations have imposed severe restrictions that prevent foreign lawyers from entering and international law firms from mingling with their Brazilian counterparts. Foreign firms can only set up small shops to advise their clients on foreign law matters, and nothing else. Brazilian firms that have also built strong alliances overseas with the key players in the global arena do the bulk of the corporate legal work. Even then, there are about 25 international law firms with presence in Brazil (Conti Craveiro and Gómez, [in this volume](#)).

The case of Venezuela and Mexico is very different. These two countries opened their doors to foreign lawyers many decades ago. In the

1950s, Baker & McKenzie chose Caracas, Venezuela, to open its first office outside of Chicago. The main incentive behind such a move was to provide on-site legal advice to one of its international clients that had established a subsidiary in the South American country. “Following the client” became the main expansion strategy of US law firms in the years that followed.

The Caracas office of Baker & McKenzie was opened in cooperation with Ramón Díaz, a prominent local lawyer who soon thereafter became the firm’s first international partner. Other local lawyers joined the effort, and Baker & McKenzie soon became the largest law firm in Venezuela, a position that it still holds to this day. Despite the openness of the local market to foreign lawyers, and the presence of prominent practitioners from the United States, Italy, Spain, and Mexico, the arrival of other international firms in Venezuela did not occur until the 1990s with the opening of the hydrocarbons industry to multinational companies and the influx of foreign capital. The chapter on Venezuela included in this book explains that episode in great detail. The political orientation and the hostility to foreign and national business corporations have reduced the size of some firms, but new foreign firms have entered into this market in search of new opportunities (Gómez and Pérez Perdomo, [in this volume](#)).

Baker & McKenzie was also the first foreign law firm to arrive in Mexico with an opening of an office in 1961. Over the years, it grew exponentially and spread throughout the country with offices in five cities. In the early nineties, the Mexican government further liberalized the market, which incentivized other international law firms such as White & Case, Curtis, Mallet-Prevost, and Haynes & Boone to establish a presence in the North American country. More recently, Chadbourne & Parke, Jones Days, DLA Piper, Greenberg Traurig, Holland & Knight, and Spain’s Garrigues also opened offices in Mexico. In 2014, the global firm Hogan Lovells entered the local market through the acquisition of Barrera, Siqueiros & Torres Landa, one of the largest Mexican firms, and became one of the strongest players in the country. It is also important to note the overseas expansion of Mexican firms toward Europe. The two most salient examples are Nader, Hayaux & Goebel, which has an office in London; and Goodrich, Riquelme & Asociados, which has an office in Paris since 1971 (Meneses and Caballero, [in this volume](#)).

Argentina also experienced an early arrival of Baker & McKenzie, more than 35 years ago. In 2009, Cleary Gottlieb opened an office in Buenos