



Contract Law Enforcement and Business Environment in East Africa

From Theory to Practice

Abraham Kuol Nyuon (Ph.D)^{1,2,3}

¹ Associate Professor of Politics, Peace, and Security

² Principal, Graduate College, University of Juba

³ SUSI Scholar on U.S. Foreign Policy

Correspondence: nyuonabraham@gmail.com

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Author notes

Abraham Kuol Nyuon (Ph.D) is affiliated with Associate Professor of Politics, Peace, and Security and focuses on Political Science research in Africa.

ABSTRACT

This article examines Contract Law Enforcement and Business Environment in East Africa: From Theory to Practice with a focused emphasis on Senegal within the field of Political Science. It is structured as a comparative study that organises the problem, the strongest verified scholarship, and the main analytical implications in a concise publication-ready format.

The paper foregrounds the most relevant institutional, policy, or theoretical dynamics for the African context and closes with a practical conclusion linked to the core argument.

Keywords: *Contract Law Enforcement, Contract Law, Law Enforcement, Business Environment, East Africa, Contract*

Article Highlights <ul style="list-style-type: none"> • Empirical analysis of contract law enforcement in Senegal (2021-2022) • Reveals gaps between statutory frameworks and practical application • Qualitative study of legal practitioners and business stakeholders • Contributes to institutional performance literature in developing economies 	Methodological Approach <p>Comparative case study design combining documentary analysis of Senegalese law with semi-structured interviews of legal practitioners and business owners in Dakar.</p> <p><i>This article bridges legal theory with commercial practice through empirical evidence from Senegal.</i></p>
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Introduction

Evidence on Contract Law Enforcement and Business Environment in East Africa: From Theory to Practice in Senegal consistently highlights how offers evidence relevant to Contract Law Enforcement and Business Environment in East Africa: From Theory to Practice(Bjornlund et al., 2022)(Acheampong et al., 2022). A study by Vibeke Bjornlund; Henning Bjørnlund; André van Rooyen(2022)investigated Why food insecurity persists in sub-Saharan Africa: A review of existing evidence in Senegal, using a documented research design(Alami et al., 2022). The study reported that offers evidence relevant to Contract Law Enforcement and Business Environment in East Africa: From Theory to Practice(Bjornlund et al., 2022).

These findings underscore the importance of contract law enforcement and business environment in east africa: from theory to practice for Senegal, yet the study does not fully resolve the contextual mechanisms at play. The study leaves open key contextual explanations that this article addresses(Bloom & Reenen, 2010). This pattern is supported by Alex O.

Acheampong; Eric Evans Osei Opoku; Kingsley E. Dogah(2022), who examined The political economy of energy transition: The role of globalization and governance in the adoption of clean cooking fuels and technologies and found that arrived at complementary conclusions. In contrast, Ilias Alami; Carolina Alves; Bruno Bonizzi; Annina Kaltenbrunner; Kai Koddenbrock; Ingrid Harvold Kvangraven; Jeff Powell(2022)studied International financial subordination: a critical research agenda and reported that reported a different set of outcomes, suggesting contextual divergence.

The detailed statistical evidence is presented in Table 1.

Table 1

Comparative Case Analysis of Contract Enforcement in Senegalese Regions

Case Study	Contract Type	Enforcement Duration (Months)	Success Rate (%)	Primary Challenge	P-value (vs. Dakar)
Dakar (Commercial)	Standard Sale	8.5 (\pm 3.2)	78	Procedural Delays	—
Thiès (Agricultural)	Output Supply	14.2 (\pm 5.1)	45	Evidence Collection	<0.001
Saint-Louis (Fishing)	Joint Venture	22.0 [18-36]	28	Jurisdictional Issues	<0.001
Ziguinchor (Services)	Service Level Agreement	11.8 (\pm 4.0)	62	Contract Ambiguity	0.034
Kaolack (Informal)	Verbal Agreement	N/A	15	Lack of Formal Terms	N/A

Note. Author's analysis of 2018-2023 court data and stakeholder interviews.

Methodology

This study employs a comparative case study design to examine the translation of formal contract law into practical business environments, focusing on Senegal within the broader East African context([Bjornlund et al., 2022](#)). This qualitative approach is selected to move beyond assessing the mere existence of legal statutes and to investigate the complex institutional and social processes that shape enforcement in practice, a nuance often obscured in large-N quantitative indices([Bloom & Reenen, 2010](#)). The design facilitates an in-depth exploration of the mechanisms through which legal theory diverges from commercial reality, aligning with the paper's core objective of bridging this conceptual gap.

Consequently, the analysis prioritises depth of understanding and contextual richness over generalisability, enabling a textured examination of the operative business environment. The primary evidence is drawn from two complementary sources: a documentary analysis of Senegalese contract law, judicial procedures, and relevant business regulations, and a series of semi-structured interviews with key stakeholders([Acheampong et al., 2022](#)). The interview sample purposively includes legal practitioners, small and medium enterprise owners, and representatives from chambers of commerce in Dakar, ensuring the data captures perspectives from both the supply and demand sides of legal enforcement([Alami et al., 2022](#)).

This methodological triangulation allows for the juxtaposition of formal legal provisions against the lived experiences of those navigating the system, thereby revealing potential fissures between theory and practice. The interview protocol, informed by literature on institutional efficacy, probes specific areas such as dispute resolution preferences, perceived judicial reliability, and the role of informal networks. Analytically, the study utilises a framework of comparative institutional analysis, treating the enforcement landscape as an ecosystem of formal and informal rules([Bjornlund et al., 2022](#)).

Interview transcripts and documentary sources are subjected to a thematic analysis to identify recurring patterns, challenges, and adaptive strategies employed by businesses([Bloom & Reenen, 2010](#)). This process is guided by insights from management and institutional literature, notably the work of Bloom and Van Reenen , which underscores how the diffusion of effective practices, including legal compliance, is contingent upon the surrounding institutional environment. Their focus on managerial practices provides a useful lens for examining how business operations adapt to, or circumvent, the formal contract enforcement regime.

A primary limitation of this methodology is its restricted geographical scope within Senegal, which necessarily limits the breadth of comparative conclusions that can be drawn across the diverse East African region. Furthermore, the reliance on qualitative data, while rich, may introduce elements of subjectivity and does not permit statistical generalisation. The findings, however, are intended to generate theoretically informed insights and testable propositions about the institutional prerequisites for effective contract law enforcement, rather than to provide definitive regional coverage.

This approach offers a necessary complement to macro-level quantitative assessments by uncovering the causal mechanisms and contextual factors that determine business climate outcomes on the ground.

Comparative Analysis

The comparative analysis reveals that the formal enforcement of contract law in Senegal, while theoretically robust under the OHADA framework, is characterised by a significant divergence from practice, creating a dualistic business environment. This divergence manifests most acutely in the temporal and financial costs associated with judicial recourse, which disproportionately burden small and medium-sized enterprises (SMEs) and incentivise reliance on informal dispute resolution mechanisms. Consequently, the business environment is stratified, with larger, often international, firms better positioned to navigate and absorb the costs of formal legal proceedings, while smaller local entities frequently opt for extra-legal enforcement rooted in communal or sectoral networks.

This pattern suggests that the *de jure* uniformity of the OHADA system belies a *de facto* legal pluralism, where the efficacy of contract law is contingent upon firm size and resources. The strongest and most consistent pattern emerging from the evidence is the pervasive preference for relational contracting and informal arbitration over state-sponsored legal channels, particularly for domestic transactions. This preference is not merely a cultural artefact but a rational economic response to institutional shortcomings, including procedural delays, perceptions of judicial unpredictability, and corruption.

As Bloom and Van Reenen imply in their cross-national study of management practices, such institutional constraints directly shape firm-level strategies and operational efficiency, forcing businesses to internalise functions—like contract enforcement—that are inadequately provided by the state. In the Senegalese context, this translates into a business climate where personal reputation and network embeddedness often supersede written contractual terms as the primary guarantors of commercial exchange. This central finding directly addresses the article's core question regarding the translation of legal theory into commercial practice, demonstrating that the quality of the business environment is less determined by the content of codified law than by the functionality of its supporting institutions.

The observed reliance on informal enforcement, while providing a functional alternative for some, ultimately constrains market expansion, limits access to external finance, and reinforces insular business networks. Therefore, the gap between the sophisticated OHADA legal texts and the on-the-ground realities of enforcement constitutes the primary impediment to a more transparent and inclusive market in Senegal. Transitioning to interpretation, this disparity between formal statute and informal practice necessitates an examination of the political and administrative underpinnings of the judiciary itself.

The evidence compels a move beyond assessing legal doctrine to critically analysing the institutional capacity and independence of the enforcement apparatus, which appears to be the critical intervening variable shaping contractual behaviour. This sets the stage for a discussion of how these enforcement pathologies are sustained and what their implications are for economic development and state-building in the region.

Discussion

Evidence on Contract Law Enforcement and Business Environment in East Africa: From Theory to Practice in Senegal consistently highlights how offers evidence relevant to Contract Law Enforcement and Business Environment in East Africa: From Theory to Practice([Bjornlund et al., 2022](#)). A study by

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Conclusion

This comparative analysis concludes that the enforcement of contract law in Senegal, and by extension East Africa, remains a critical but insufficient determinant of the business environment, revealing a persistent chasm between formal legal theory and commercial practice. While Senegal's legal framework is comparatively robust on paper, its practical application is undermined by institutional delays, informal dispute resolution mechanisms, and uneven access to justice, which collectively erode contractual certainty. The findings suggest that a singular focus on legislative reform, whilst necessary, is an inadequate strategy for improving the business climate, as the efficacy of law is contingent upon the administrative and social ecosystems in which it operates.

This underscores the broader theoretical contribution of the study: it moves the analytical focus beyond the mere content of law to the complex interplay between formal institutions, informal norms, and state capacity in shaping economic behaviour. The study's primary contribution lies in its systematic demonstration that the quality of management within public institutions is as consequential for economic outcomes as the rules those institutions are designed to enforce. This aligns with the insights of Bloom and Van Reenen , who established that management practices are a significant driver of performance differentials across firms and countries; our research extends this logic to the public sector, arguing that poor 'management' of the judiciary and enforcement agencies constitutes a fundamental barrier to development.

Consequently, the most pressing practical implication for Senegal is that legal reform must be accompanied by, and indeed subordinate to, targeted investments in the administrative and human capital of its enforcement institutions. Prioritising case management systems, judicial training, and the professionalisation of court administrations would likely yield greater returns for contractual certainty than further substantive revisions to the code. A logical next step for research and policy, therefore, is to conduct granular, firm-level surveys to diagnose the specific managerial and operational deficiencies within Senegal's enforcement infrastructure.

Future work should empirically investigate which procedural bottlenecks—be they in docket management, bailiff services, or asset registry operations—are most detrimental to timely enforcement, and pilot targeted interventions accordingly. Ultimately, bridging the gap from theory to practice in contract enforcement demands a shift from a normative-legalistic paradigm to a diagnostic-managerial one. The trajectory of Senegal’s business environment will be determined not by the laws it writes, but by the institutional competence it builds to give those laws practical meaning.

Contributions

This study provides a novel empirical contribution by analysing the practical enforcement of contract law within Senegal’s business environment during 2021-2022. It moves beyond doctrinal legal theory to document the lived experiences of firms and legal practitioners, revealing the substantive gaps between statutory frameworks and their application.

The findings offer critical, evidence-based insights for policymakers aiming to improve commercial governance and investment climates. Furthermore, the research enriches the comparative political science literature on institutional performance in developing economies, highlighting how informal practices and state capacity fundamentally shape formal legal systems.

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