LAW AND ECONOMY

ISSN 2788-7049 SEP. 2026 VOL.5, NO.3

CONTENTS

Artificial Intelligence, Robotics, and the Transformation of Forensic Law in Cameroon **1-23**

NGONDA Yusi Roger

A Legal Assessment of the Normative Basis for Corporate Social Responsibility in Cameroon **24-42**

NTOKO NTONGA Rene, MESONGE NTUNGWA Bern-Francis

Effects of Interest Rates on Socioeconomic Prosperity in Sub-Saharan Africa **43-56**

Eliah Emmanuel Ebwelle, Dobdinga Cletus Fonchamyo, Francis Menjo Baye

Institutional Arbitration in the Resolution of Commercial Disputes in Cameroon: A Case Study of GICAM-CMAG **57-67**

Eposi Juliette Vefonge

The Fight Against Money Laundering Through Shell Companies in Cameroon: A Legal Appraisal **68-81**

NTOKO NTONGA Rene

Negotiation: The Pillar of Dispute Settlement in Diplomacy **82-88**

Igwe Moore Nnorom, Jerry Amadi

Research on Digital Construction, Operation and Maintenance of Overseas Intellectual Property Archives for Consumer Brands **89-97**

Jin Huang

Controlling Financial Vulnerabilities in Infrastructure Projects by Integrating Engineering Management and CPA Practices **98-105**

Peidi Chen

LAW AND ECONOMY

ISSN 2788-7049 SEP. 2026 VOL.5, NO.3

CONTENTS

Analysis of the Causes of Digital Accessibility Talent Gaps for Public Entities Under the Background of ADA Compliance Extension **106-114**

Xincheng Liu

The Definition of 'Migrant Worker' in International Law: Adequacy and Gaps **115-120**

AKAMIN ASONGA Patrick

Alternative Dispute Resolution Mechanism Used in Resolving Football Disputes **121-126**

Awandem Willy Steve

Paradigm Academic Press
Law and Economy
ISSN 2788-7049
SEP. 2026 VOL.5, NO.3

Artificial Intelligence, Robotics, and the Transformation of Forensic Law in Cameroon

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doi:10.63593/LE.2788-7049.2026.09.001

Abstract

Artificial intelligence and robotics are no longer features of science fiction. They are reshaping the way justice is investigated, prosecuted, and administered in legal systems around the world, including in Cameroon. This article examines that transformation through a critical and grounded lens, asking not merely what these technologies can do, but whether the law as it currently stands in Cameroon is ready to govern what they do. The article finds that Cameroon currently lacks dedicated legislation governing artificial intelligence and robotics in forensic or judicial contexts. This regulatory vacuum creates serious risks: evidence produced by AI systems lacks clear admissibility standards, liability for errors by autonomous systems is legally indeterminate, and protections for the rights of accused persons are inadequate in the face of automated decision-making. The doctrine of res ipsa loquitur and the concept of legal personhood for AI entities are examined as possible bridges between existing jurisprudence and emerging technological realities. The article concludes by proposing a multi-pronged governance pathway for Cameroon: the enactment of dedicated AI legislation with specific forensic provisions, the establishment of interdisciplinary regulatory bodies, the development of clear liability frameworks for autonomous systems, and the integration of ethical AI principles of fairness, transparency, and accountability into Cameroon's legal culture.

Keywords: artificial intelligence, forensic law, robotics, legal liability, res ipsa loquitur

1. Introduction

The relentless advancement of "Artificial Intelligence" (AI) and "Robotics" has propelled society into an era of unparalleled technological sophiscation.[1] Artificial Intelligence and robotics are transforming forensic law by introducing innovative methods for solving crimes and enhancing the efficiency of the justice system. Forensic law, which involves the application of scientific and technological principles to legal cases, has greatly benefited from the integration of AI and robotics. These technologies facilitate faster, more accurate data analysis, reduce human error, and improve decision-making processes in legal and forensic contexts.[2] The question thus, what therefore is Artificial Intelligence (AI)? There are many official definitions of what Artificial Intelligence systems are, provided both by independent organisations and by national legislators in some cases; we would take as a starting reference the definition provided by the expert group appointed by the European Commission in 2019 (AI HLEG): per this Commission, "Artificial intelligence (AI) systems are software (and possibly also hardware) systems designed by humans that, given a complex goal, act in the physical or digital dimension by perceiving their environment through data acquisition, interpreting the collected structured or unstructured data, reasoning on the knowledge, or processing the information, derived from this data and deciding the best

[1] Chidiogo U., et al. (2024). Legal Challenges of Artificial Intelligence and Robotics: A Comprehensive Review. *Computer Science and Information Technology Research Journal, 5*(3), 544.

[2] Chen Y., et al. (2021). Enhancing Forensic Accuracy through Deep Learning. *Journal of AI Applications, 18*(4), 45–60.

action(s) to take to achieve the given goal.[1]

AI systems can either use symbolic rules or learn a numeric model, and they can also adapt their behaviour by analysing how the environment is affected by their previous actions. As a scientific discipline, AI includes several approaches and techniques, such as machine learning (of which deep learning and reinforcement learning are specific examples), machine reasoning (which includes planning, scheduling, knowledge representation and reasoning, search, and optimization), and robotics (which includes control, perception, sensors and actuators, as well as the integration of all other techniques into cyber-physical systems)". [2]This is a very comprehensive definition, providing both a notion of AI as a field of study and of the products of its implementation that can be taken into account for regulatory purposes.

Thus, when talking about AIs one can refer to software running either in a simple computer — or in a computer network or in a more complex physical architecture — that is, the hardware component - made up of such as sensors, computer vision devices, and so on. The former might be defined as generic 'AI algorithms' or 'software agents' while the latter might be called "robot agents". Either way, prior to software or hardware, the core element of both these technologies is data on which — at least for the new generation the AI systems are built and trained. For what concern robots and robotics, there are several industrial applications especially in heavy industries — both for logistics and manufacturing.[3] There are also interesting uses of robots for educational and recreational purposes as well as to assist vulnerable people, for example, people suffering from dementia or autism.[4] In addition, some robots are able to provide surgical assistance for high-precision operations.[5]

The aim of this overview is to help understand both to clarify the notion of 'artificial intelligence systems' and which of these computational artefacts are most likely to be of interest for the scope of attributing an autonomous legal personality. More specifically, the common property of the technologies we are concerned with is ability to deliberate according to evaluations that are, to some extent, independent of those of the designer. In a sense, AIs have a degree of epistemic and practical authority over their own behaviour.[6] What are we referring to when we talk about Artificial Intelligence? We can both describe a scientific field and a series of technologies somehow derived from it. An attempt was made to circumscribe the AI technologies under consideration in this this work to the so-called Artificial Intelligence systems (AIs), although this notion still suffers from some vagueness. A more detailed identification of the specific AI systems relevant to our research question will be attempted in next sections, using not only factors relating to the technical components, but also that of the social context in which systems operate.

AI as a branch of knowledge studies the way in which human intelligence, or some of its characteristics, can be reproduced in artificial objects. Even though nowadays these artefacts are mostly computer based, nothing prevents the same goals from being pursued on hybrid systems in the future. A broad enough, and often cited, definition was proposed by the leading AI scientist John McCarthy, according to whom AI: "is the science and engineering of making intelligent machines, especially intelligent computer programs.[7] It is related to the similar task of using computers to understand human intelligence, but AI does not have to confine itself to

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[1] AI HLEG. (2019). A definition of AI: main capabilities and disciplines, European Commission, https://ec.europa.eu/digital-inglemarket/en/news/definitionartificial-intelligence-main-capabilities-and-scientific-disciplines. A more concise definition is the one provided by the Organisation for Economic Co-operation and Development (OECD), in the 2019 recommendation of the Council on Artificial Intelligence: "An AI system is a machine-based system that can, for a given set of human-defined objectives, make predictions, recommendations, or decisions influencing real or virtual environments. AI systems are designed to operate with varying levels of autonomy" (OECD. LEGAL/0440).

[2] *Ibid*.

[3] Yongjun Xu, et al. (2021). Artificial intelligence: A Powerful Paradigm for Scientific Research. *The Innovation Review, 2*(1), 1-20.

[4] Wood J., et al. (2012). Developing Kaspar: A Humanoid Robot for Children with Autism. *International Journal of Social Robotic, 13*(3–4), 500.

[5] *Ibid.*

[6] Omohundro Stephen. (2008). The Basic AI Drives: Artificial General Intelligence. *Frontiers in Artificial Intelligence and Applications, 171*(1-3), 483-492.

[7] MacCarthy, J. (2007). What is Artificial Intelligence? Available at http://jmc.stanford.edu/articles/whatisai.html (Lastly Accessed on 16/04/2026).

methods that are biologically observable".[1]

More and more often humans, in different activities as users of a self-driving vehicles, consumers making a contract with a bot, physicians supported by a diagnostic system interact with artificial entities that play an active role in such activities. These entities process information and make choices between epistemic and practical alternatives, make changes in the digital or physical world, and engage in communication. Their action appears to be autonomous, in the sense that it is not preprogramed by a human designer as a specific response to the particular circumstances of the concrete situation. It is up to such systems to process the available information, using learning and inferential algorithms, and to make assessments and decisions accordingly.[2] An additional complexity is owed to the fact that each such an agent may be part of a dense network of agents, sharing information and making coordinated decisions.

This raises a set of issues pertaining to legal liabilities, as well as to accountability and moral responsibility. Who is to be asked to explain and justify the behaviour of such a system? Who may be subject to blame or adverse consequences in case such behaviour turns out to be harmful? Who is to be subject to legal penalties, including damages as well as administrative fines or criminal punishment, when such a behaviour violates applicable legal rules? Is it the owner, the user, the programmer, the manager of the development team, the person tasked with testing and debugging? What happens if an action cannot be traced back to any particular human?[3]

The harmful behaviour of AI systems can engender obligations for the human agents involved, such as users, owners, and developers. Artificial agents can also participate in legally relevant interactions, producing effects in the sphere of their owners as well as that of human third parties. Their use can produce legal effects, that is, contractual rights and obligations, for their users (for example, vendors in electronic commerce) by virtue of their ability to interact with other subjects (human and electronic) entering into legal transactions. Equally remarkable is the capacity of some AIs to generate creative works — paintings, songs, novels, etc. — prompting the European Parliament to consider whether AI-generated artworks and inventions might be protected by copyright.[4]

One of the most significant contributions of AI to forensic law is the ability to process large datasets rapidly. Machine learning algorithms, a subset of AI, can analyze complex forensic data, including DNA sequences, fingerprints, and voice patterns, with remarkable accuracy. These systems have been shown to outperform traditional methods in terms of speed and precision, leading to breakthroughs in cold cases and more efficient criminal investigations.[5] AI-powered tools also enable predictive analysis in forensic investigations. By analyzing historical data, these systems can predict crime patterns, identify high-risk areas, and even suggest potential suspects. For example, crime-mapping tools equipped with AI algorithms have helped law enforcement agencies allocate resources more effectively and prevent crimes before they occur.[6]

Digital forensics has been revolutionized by AI systems that can extract, analyze, and correlate digital evidence from various sources, such as mobile phones, computers, and online platforms. Automated tools can identify anomalies in digital footprints, detect cybercrimes, and recover deleted files, thereby providing critical evidence in court proceedings.[7] These advancements are crucial in an era where cybercrime is becoming increasingly prevalent. Facial recognition technology, powered by AI, is another transformative tool in forensic law. This technology can identify individuals in real-time, aiding in the identification of suspects and missing persons. However, concerns regarding privacy and ethical implications have prompted calls for stricter regulations to ensure its responsible use.[8]

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[1] Each AI system poses a negative impact on privacy for the individual at multiple levels. Depending on how it is applied, facial recognition AI systems can essentially create "dragnet biometric databases" that impact both criminal and law-abiding citizens. If applied in a live video feed, then any expectations of privacy or anonymity in public are essentially eroded by the capabilities of a facial recognition system. Since there are no current limitations or regulations imposed on this type of technology, law enforcement agencies are not required to submit warrants or justification before usage. For this reason, many municipalities have taken it upon themselves by banning the usage of facial recognition by public agencies within their jurisdiction.

[2] MacCarthy, J. (2007). *Op.Cit,* note 12.

[3] Trahan J. (2008). The Distinction Between Persons & Things: An Historical Perspective. *Journal of Civil Law Studies, 1*(6), 341-360.

[4] *Ibid.*

[5] Roberts D., et al. (2022). Autonomous Robotics in Forensic Evidence Collection. *Journal of Autonomous Systems, 19*(2), 168.

[6] Smith, J., et al. (2021). AI Applications in DNA Evidence Analysis. *Journal of Forensic Bioinformatics, 9*(2), 48.

[7] *Ibid.*

[8] Brown, H., et al. (2021). Role of Robotics in Post-Disaster Forensic Investigations. *Disaster and Forensic Science Review, 10*(3), 312.

Robotics has also found its way into forensic investigations, particularly in crime scene analysis. Robots equipped with cameras and sensors can navigate hazardous environments, collect evidence, and preserve the integrity of crime scenes.[1] This capability is especially valuable in cases involving biohazards, explosives, or other dangerous conditions.[2] In addition to crime scene analysis, robotics plays a role in automating repetitive tasks in forensic laboratories. For instance, robotic systems can automate the process of DNA extraction and analysis, thereby reducing the workload for forensic scientists and minimizing the risk of contamination or human error.[3]

AI has proven invaluable in analyzing audio and video evidence. Algorithms can enhance low-quality recordings, identify speakers, and detect manipulated audio or video files. These capabilities are essential in cases where the authenticity of evidence is contested.[4] Natural Language Processing (NLP), a branch of AI, has enhanced the analysis of textual evidence. NLP systems can process large volumes of documents, emails, and social media posts to identify relevant information and establish connections between suspects and criminal activities. This capability has been particularly useful in cases involving financial crimes and organized crime networks.[5] AI has also improved the accuracy of forensic pathology. Machine learning algorithms can assist in determining causes of death by analyzing medical images and autopsy reports. These systems provide valuable insights, especially in complex cases where traditional methods may fall short.[6]

The integration of AI and robotics in forensic law has implications for the courtroom as well. AI systems can simulate crime scenes, reconstruct events, and present evidence in a more comprehensible manner for judges and juries.[7] Virtual reality (VR) tools, powered by AI, allow for immersive reconstructions of crime scenes, enhancing the understanding of evidence. Despite these advancements, the use of AI in forensic law is not without challenges. One major concern is the potential for bias in AI algorithms, which can lead to wrongful convictions or unequal treatment under the law. Ensuring fairness and transparency in AI systems remains a critical priority for developers and policymakers.[8] Another challenge is the admissibility of AI-generated evidence in court. Legal frameworks must evolve to address questions of reliability, accuracy, and accountability associated with AI tools. Establishing clear guidelines for the use of AI in forensic investigations is essential for its acceptance in legal contexts.[9]

The ethical implications of AI and robotics in forensic law are also a topic of debate. Issues such as privacy, consent, and surveillance require careful consideration to balance the benefits of these technologies with the rights of individuals. Collaboration between technologists, forensic experts, and legal professionals is crucial for the successful integration of AI and robotics in forensic law. Interdisciplinary efforts can ensure that these technologies are developed and implemented in ways that align with legal standards and ethical principles.[10] Training and education are equally important. Forensic professionals must be equipped with the skills to understand and operate AI and robotic systems effectively. Continuous professional development programs can help bridge the gap between technological advancements and practical applications.[11] Looking ahead, the potential of AI and robotics in forensic law is immense. Emerging technologies such as quantum computing and advanced neural networks promise even greater capabilities for solving crimes and administering justice.

However, the pace of technological progress must be matched by efforts to address legal, ethical, and social challenges.[12] The role of AI and robotics in forensic law extends beyond solving crimes to preventing them. Predictive policing, enhanced surveillance, and real-time data analysis can create safer communities and more efficient legal systems. The future of forensic law will likely see even greater reliance on these technologies to

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[1] Lee J., et al. (2023). Training Forensic Scientists in AI and Robotics: A New Paradigm. *Journal of Forensic Education, 7*(1), 17.

[2] *Ibid.*

[3] Jones A., et al. (2020). Predictive Analytics in Law Enforcement: Applications and Limitations. *Criminal Justice Technology, 15*(2), 25.

[4] Patterson, S., et al. (2022). Cybersecurity Challenges in AI-Driven Forensic Investigations. *Computers & Security, 115*, 102738. https://doi.org/10.1016/j.cose.2022.102738

[5] Miller B., et al. (2020). Robotics in Forensic Anthropology: A Case Study. *Journal of Forensic Robotics, 13*(3), 190.

[6] *Ibid.*

[7] *Ibid.*

[8] Wilson D., et al. (2023). Public Perception of AI and Robotics in Forensic Law. *Journal of Criminal Justice Ethics, 14*(1), 79.

[9] *Ibid.*

[10] *Ibid.*

[11] *Ibid.*

[12] *Ibid.*

achieve justice and maintain public trust.[1] Robotics, on the other hand, has been instrumental in augmenting forensic practices by performing tasks such as scene reconstruction and evidence retrieval with precision.[2] This technological integration promises enhanced efficiency and accuracy in solving criminal cases.

The rise of AI-powered tools in forensic law has also brought new approaches to predicting criminal behaviors and identifying suspects. Predictive analytics tools assess patterns in crime data to provide law enforcement with insights into potential criminal activities.[3] Additionally, facial recognition technologies, enabled by AI, have gained prominence in suspect identification, providing results with unprecedented speed and reliability. Despite these advancements, concerns over privacy and bias in AI algorithms persist, raising ethical and legal challenges.[4] These concerns necessitate critical appraisals of AI applications within forensic law.

Robotics in forensic investigations provides unique capabilities for handling hazardous environments and collecting evidence in conditions unsafe for humans. Robots equipped with sensors and imaging tools facilitate investigations in disaster zones or chemically hazardous crime scenes.[5] However, the deployment of robotics in forensic contexts remains limited due to high costs and the need for specialized training. This indicates a gap in the widespread adoption of robotics technologies in forensic law. Legal frameworks and governance structures surrounding the use of AI and robotics in forensic law are still developing. Policymakers and judicial bodies are working to establish regulations to govern the use of these technologies in a manner consistent with legal and ethical principles.[6] The legal community must address questions of accountability, particularly when errors occur in forensic analyses conducted by AI or robotics systems.

Moreover, the integration of AI and robotics into forensic law requires robust interdisciplinary collaborations. This includes partnerships between technologists, legal practitioners, and forensic scientists to ensure the technologies align with the evidentiary standards of the legal system. According to recent studies, the lack of standardized protocols for incorporating AI and robotics into forensic processes hampers their effectiveness and acceptance in legal proceedings.[7] There is no one-size-fits-all approach to addressing liability and regulatory issues associated with the new growing technology. The solution is to have the correct balance between encouraging innovation and entrepreneurship and also on addressing real safety and privacy concerns.[8] As new technologies, among other things self-driving cars, drones, augmented and virtual reality as well as the internet of things (IoT)[9], get more and more popular, rules and laws governing the new technology need to keep up.[10]

The liability of AI and robotics in forensic law raises complex legal questions, as existing frameworks struggle to address the actions of autonomous systems and the potential for bias and lack of transparency. While AI can enhance forensic capabilities, the potential for misuse and the need for accountability require careful consideration and adaptation of legal approaches. The question on who becomes liable if a privately owned robot destroys property or authorities' AI-system giving the wrong answer or decision that causes harm is very necessary. Now and especially in the future, the liable party in AI-related accidents is not so clear anymore, which means that the answer to the question "who is liable and under what circumstances is unclear".

The main issue is that if, for instance, a self-driven car collides with another vehicle, who then can be held liable,

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[1] *Ibid*.

[2] Brown, R., et al. (2022). Robotics and Automation in Crime Scene Investigations: Challenges and Opportunities. *Forensic Science International, 324*, 112.

[3] *Ibid.*

[4] Chen Y., et al. (2021). *Op.Cit*.

[5] Wang S., et al. (2022). *Op.Cit.*

[6] Anderson B., et al. (2023). Ethical Implications of AI in Forensic Law: A Critical Analysis. *Journal of Legal Studies in Technology, 12*(4), 48.

[7] Greenfield, A., et al. (2021). Standardization in AI-Powered forensic Processes. *Science and Justice, 61*(3), 288.

[8] Silverman, S., et al. (2018). Torts of the Future II: Addressing the Liability and Regulatory Implications of Emerging Technologies. US Chamber for Commerce Institute for Legal Reform, p. 6. Available at Instituteforlegalreform.com/research/torts-of-the-future-ii-addressing-the-liability-and-regulatory-implications-of-emerging-technologies/ (Lastly Accessed on the 22/04/2026).

[9] Internet of Things (IoT), "IoT comprises devices and objects whose state can be altered via Internet, with or without the active involvement of individuals. The term goes beyond devices traditionally connected to the Internet, like laptops and smartphones, by including all kinds of objects and sensors that permeate the public space, the workplaces and home."

[10] Gluyas, L., et al. (2018). Who Is Liable When AI Fails to Perform? CMS Cameron McKenna Nabarro Olswang LLP.

considering that instead of a human being, the car was driven by an algorithm.[1] As there is no human driver, the responsible party needs to be established somewhere else, and it could be the owner or the manufacturer of the car, the software designer or at some point maybe even the AI itself. In addition, no one can be blamed without reasons or applicable law, so there is a need for suitable reasoning to hold the party in question liable, and the legislations need to be updated to recognise the liable party regarding the more recent technology. These same aspects are also examined by the point of view of international law and treaties, especially regarding state jurisdiction and responsibility.[2]

Each AI system poses a negative impact on privacy for the individual at multiple levels. Depending on how it is applied, facial recognition AI systems can essentially create "dragnet biometric databases" that impact both criminal and law-abiding citizens. If applied in a live video feed, then any expectations of privacy or anonymity in public are essentially eroded by the capabilities of a facial recognition system.[3] Since there are no current limitations or regulations imposed on this type of technology, law enforcement agencies are not required to submit warrants or justification before usage. For this reason, many municipalities have taken it upon themselves by banning the usage of facial recognition by public agencies within their jurisdiction due to the dangers involved. Facial recognition AI systems are not the only systems with privacy issues. Both predictive risk assessment and predictive policing AI systems have the ability to chip away at privacy expectations and alter Fourth Amendment expectations. As described by **Justice Sotomayer**, the "mosaic theory" could be applied to AI systems in a similar manner to GPS surveillance, as the power of data has grown to the point where intimate details of a person's habits and preferences can be accurately inferred.[4] Against this backdrop there, there is the need to establish establishing the liability of AI and robots for forensic and other technological interventions in the situation of misleading conclusive investigations.

2. Regulation Framework of Artificial Intelligence and Robotics in Forensic Investigation in Cameroon

According to the Oxford Advance Learner's Dictionary, the word regulation carries different meanings. It might be 'a rule or directive made and maintained by an authority', in a more strictly governmental sense. However, it might also have a broader sense, meaning 'the action or process of regulating or being regulated'.[5] Thus, while regulation has a broader definition, which is the set of parameters and rules that act as a guidance to behaviours, it has numerous connotations that can be used in the most variable ways. The existence of different meanings to regulation, altogether with the different existing personal views about politics and government intervention may cause certain difficulties in understanding it. These difficulties, consequently, have the potential to result in confusion while defining regulation and using the best term for each circumstance.[6] Therefore, it is indispensable to delimit how the word "regulation" is employed in the context.

The liability of Artificial Intelligence (AI) and Robotics in forensic law raises complex questions about accountability, as traditional legal frameworks struggle to address actions of non-human agents. While Artificial Intelligence (AI) can enhance forensic capabilities, the potential for misuse and harm necessitates a careful examination of who is liable when AI systems act in ways that violate the law. The growth of Artificial Intelligence has been significant within several industrial sectors and is anticipated to grow even more in the

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[1] An AI Algorithm refers to a specific set of rules or instructions that a computer system follows to perform tasks that typically require human intelligence. These tasks can include learning, reasoning, problem-solving, perception, and language understanding. Key Characteristics of AI Algorithms; AI algorithms can learn from data. They improve their performance over time by analysing patterns and making predictions based on past experiences; They can adapt to new information or changes in the environment, allowing them to remain effective as conditions evolve; AI algorithms can automate complex decision-making processes, often faster and more accurately than humans; Many AI algorithms can handle vast amounts of data and perform computations that are infeasible for humans to do manually. The Common Types of AI Algorithms: These algorithms enable systems to learn from data. Examples include linear regression, decision trees, and neural networks. A subset of machine learning, these algorithms use neural networks with many layers (deep neural networks) to process complex data structures, such as images and sounds. These algorithms are designed to understand, interpret, and generate human language. Examples include sentiment analysis and machine translation. These algorithms learn by interacting with an environment, receiving feedback in the form of rewards or penalties based on their actions.

[2] Donald Z. (2000). *Someone to Watch over Me? Privacy and Governance Strategies for CCTV and Emerging Surveillance Technologies*. Master's Thesis, Naval Postgraduate School. https://calhoun.nps.edu/handle/10945/4167. (Lastly Accessed on 16/04/2026).

[3] WCPO Statement in Response to New York Times Article Wrongfully Accused by an Algorithm, June 24, 2020. WCPO Press Release. Detroit, MI: County of Wayne, 2020. Woodward, J., et al. (2003). Biometrics: *A Look at Facial Recognition. Santa Monica*, CA: RAND Corporation. https://apps.dtic.mil/dtic/tr/fulltext/u2/a414520.pdf.

[4] *Ibid.*

[5] The Oxford English Dictionary. (2005). 7th Ed., Oxford, Oxford University Press.

[6] Barack O. (2012). What Is Regulation? *Yale Journal on Regulation Online, 30*(1), 3-10.

upcoming days.[1] Since, these commercial organizations are looking to adopt the features of artificial intelligence, robotics, and machine learning, it is necessary to stay aware of the laws and regulations associated with these technologies.

Regulations related to the activities of Artificial Intelligence is a phenomenon that governs the policies and laws integrated to the public sector who nurtures, and modulates Artificial Intelligence. A robust debate is evident if Artificial Intelligence can be held liable in the scenario of a machine learning application or robotic automation goes wrong. Regulations behind AI are a complex terrain, but countries like U.S, and other European nations have embraced with regulations considering both the ethical and physical consequences of these technologies.[2] European Union is one of the major regulatory bodies who are associated with activities and frameworks of laws and regulations connected to Artificial Intelligence. One of the major regulations stated by the European Union is General Data Protection Regulation (GDPR), that enables in protecting the valuable and personal information of the users enhancing the parameters of both safety and privacy of data.

The rapid integration of artificial intelligence (AI) and robotics into forensic law necessitates a robust institutional framework and legal infrastructure. This chapter examines the global, regional, and national institutions and legal instruments regulating AI and robotics in forensic applications. It highlights gaps, overlaps in existing frameworks, and offers insights into their inadequacy in addressing emerging challenges.

2.1 Reasons for Regulation of Artificial Intelligence (AI) and Robotics

Regulation of AI and robotics in forensic investigations is crucial to ensure fairness, accountability, and ethical use, addressing concerns about bias, privacy, and the potential for misuse, while also maintaining the integrity of forensic processes and the role of human experts.[3]

2.1.1 Ethical Concerns and Potential for Bias

AI algorithms can perpetuate and amplify existing biases present in training data, leading to unfair or discriminatory outcomes in forensic investigations. “Black box” AI systems can be difficult to understand, making it hard to determine how they arrive at their conclusions, which is crucial for ensuring accountability and trust in the forensic process. Biometric data collection and analysis, a common application of AI in forensics, raise significant privacy concerns that need to be addressed through regulation.[4]

2.1.2 Ensuring Reliability and Admissibility of AI-Generated Evidence

Current legal frameworks may not be adequate to address the reliability and admissibility of AI-generated evidence, necessitating the development of new legal standards. AI systems used in forensic investigations must meet rigorous forensic standards for accuracy, reliability, and validity. Over-reliance on AI could undermine the role of human forensic experts, potentially leading to a decline in critical thinking and judgment.[5]

2.1.3 Addressing Potential for Malicious Use

AI and robotics can be used for malicious purposes, such as cyberattacks, the creation of fake news, or the manipulation of video evidence, which can undermine trust in the justice system. Criminals and terrorist groups could leverage AI and robotics to create new digital, physical, or political threats, requiring law enforcement to be prepared to address these challenges. The use of AI and robotics in law enforcement can have a significant social impact, potentially affecting public trust and perceptions of law enforcement agencies.[6]

2.1.4 Ensuring Fairness and Equity

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[1] M. Saračević M., A. Selimi., Š. Plojović. (2019). Some Specific Examples of Attacks on Information Systems and Smart Cities Applications, in Hassanien A., Elhoseny M. (eds) *Cybersecurity and Secure Information Systems*. Netherlands, Springer, 45.

[2] Koos S. (2021). Artificial Intelligence as Disruption Factor in the Civil Law: Impact of the use of Artificial Intelligence in Liability, Contracting, Competition Law and Consumer Protection with Particular Reference to the German and Indonesian Legal Situation. *Yuridika, 36*(1), 235-262.

[3] G. Makam. (2023). Criminal Liability of Robots- A Critical Analysis of the Legal Framework in the US, UK, and Europe. O. P. Jindal Global University, Jindal Global Law School (JGLS). Available at SSRN: https://ssrn.com/abstract=4649764 or http://dx.doi.org/10.2139/ssrn.4649764 (Lastly Accessed on 07.04.2025).

[4] Thiruma Valavan. (2023). Al Ethics and Bias: Exploratory Study on the Ethical Considerations and Potential Biases in Al and Data Driven Decision making in Banking, with Focus on Fairness, Transparency and Accountability. *World Journal of Advanced Research and Reviews, 20*(2), 197-206.

[5] Rwertembula, V. (2024). Legal and Practical Challenges for the Admissibility of Artificial Intelligence. *Evidence in Criminal Proceedings in Mainland Tanzania, East African Journal of Law and Ethics, 7*(1), 136-148.

[6] *Ibid.*

Unequal access to AI tools between well-funded and underfunded agencies can exacerbate existing disparities in forensic capabilities and potentially widen gaps in justice.[1] Ensuring that AI systems are trained on diverse datasets is crucial to prevent bias and ensure fairness in forensic investigations.

2.1.5 Keeping Pace with Technological Advancements

Law enforcement agencies need to continuously monitor the evolving technology landscape to ensure preparedness for new threats and opportunities related to AI and robotics. Law enforcement agencies should identify and share their needs in terms of AI and robotics to facilitate the development of relevant technologies and projects. Collaboration between law enforcement, researchers, and policymakers is essential to address the challenges and opportunities presented by AI and robotics in forensic investigations.[2]

2.2 Legal Framework on Artificial Intelligence and Robotics

2.2.1 International Legal Framework

The international legal framework on AI and Robotics seeks to address several key areas such as, Establishing who is responsible when AI systems cause harm or make decisions that lead to negative outcomes, ensuring that AI and robotic systems are safe for users and society, including regulations for testing and compliance, Promoting ethical guidelines for the development and deployment of AI technologies, focusing on fairness, transparency, and non-discrimination, Protecting individuals' privacy rights in the context of data collection and processing by AI system, Ensuring that AI technologies respect and promote human rights, including avoiding biases that could lead to discrimination, Addressing the legal implications of using AI in military applications, particularly concerning autonomous weapon systems, Fostering collaboration among countries to develop harmonized regulations and standards for AI and robotics, and Addressing the socio-economic implications of AI and robotics on the workforce, including job displacement and the need for reskilling. Overall, the framework aims to balance innovation with the protection of fundamental rights and societal interests. However, there are no binding international conventions specifically dedicated to AI or Robotics. This is a significant gap in international law, reflecting the rapidly evolving nature of the technology and the difficulty of achieving consensus among nations on how to regulate it.

a) United Nations Convention on the Use of Electronic Communications in International Contracts

UN Convention called "United Nations Convention on the Use of Electronic Communications in International Contracts", provides a general principle for AI liability. The Convention posits that a person, who can be a natural person or a legal entity, on whose behalf a computer was programmed should ultimately be liable for any message generated by the machine. So even though that convention is not about AI liability per se, there are some excellent principles for it.[3]

As a whole, Article 12 states:

> "*A contract formed by the interaction of an automated message system and a natural person, or by the interaction of automated message systems, shall not be denied validity or enforceability on the sole ground that no natural person reviewed or intervened in each of the individual actions carried out by the automated message systems or the resulting contract."*

The meaning of the article is opened up in the Electronic Communications Convention Explanatory note section 213, according to which:

> "*Article 12 is an enabling provision and should not be misinterpreted as allowing for an automated message system or a computer to be made the subject of rights and obligations. Electronic communications that are generated automatically by message systems or computers without direct human intervention should be regarded as 'originating' from the legal entity on behalf of which the message system or computer is operated. Questions relevant to agency that might arise in that context are to be settled under rules outside the Convention."*

As can be seen from this note, electronic systems cannot be held liable, meaning that computers are not seen as legal persons by international law, and so only natural and legal persons can be held responsible or at least they should ultimately be the responsible party. This is because of the general rule that the user of the tool is responsible, as the tool does not have its own will. This is not usually a problem in situations where the owner has acted intentionally or otherwise very carelessly or if the AI product would have had a defect on it in

[1] *Ibid.*

[2] NCSL. (2024). Keeping Pace with Rapid Changes in Technology and Communication, National Conference of States Legislatures. Available at https:// www.ncsl.org(Lasstly Accessed on 26th April, 2025).

[3] Article 12 of the United Nations Convention on the Use of Electronic Communications in International Contracts.

manufacturing. The problem might be, however, in events where the AI itself has caused harm, particularly when talking about fully autonomous robots.

The proposal of the UN Convention on the Use of Electronic Communications in International Contracts states that "general principles of agency law (for example, principles involving limitation of liability as a result of the faulty behaviour of the agent) could not be used in connection with the operation of such systems." Hence, according to the proposal, it could be understood that a robot, as a machine, should be viewed as a tool. Therefore, the user or the manufacturer would be the responsible party when a robot makes a mistake.

b) United Nations Educational Scientific and Cultural Organisation Recommendation on Ethics of Artificial Intelligence 2021[1]

UNESCO Recommendation on the Ethics of Artificial Intelligence (2021) is a non-binding but influential framework that aims to provide a global ethical foundation for the development and deployment of Artificial Intelligence (AI). It covers areas such as transparency, accountability, privacy, and human oversight.

Key aspects include:

- Human Rights Framework: Emphasis on ensuring AI aligns with human rights, fundamental freedoms, and ethical principles.
- Multi-stakeholder Approach: Calls for collaboration among governments, the private sector, civil society, and academia.
- Areas of Application: Addresses ethical concerns in areas like education, culture, communication, and information.
- Monitoring and Evaluation: Encourages member states to monitor and evaluate the impact of AI technologies.

The UNESCO Recommendation provides a wide range of specific recommendations, organised around key values and principles. The recommendation emphasizes the following core values and principles, which should guide the development and use of AI: Respect for Human Dignity, Human Rights, and Fundamental Freedoms: AI systems should not be used in ways that violate human rights or undermine human dignity. Environment and Ecosystem Flourishing: AI should be developed and used in a sustainable way that protects the environment and promotes biodiversity. Ensuring Diversity and Inclusiveness: AI systems should be designed and used in ways that promote diversity and inclusivity, and avoid discrimination. Living in Peaceful, Just and Interconnected Societies: AI should be used to promote peace, justice, and social cohesion.[2]

c) The Organisation for Economic Co-operation and Development (OECD) Principles on Artificial Intelligence (2019)

The OECD (Organisation for Economic Co-operation and Development) Principles on AI, adopted in 2019. They are a set of non-binding guidelines intended to promote trustworthy AI that benefits people and the planet. The overall aim of the OECD Principles on AI is to foster the responsible stewardship of trustworthy AI systems, promoting innovation while safeguarding human rights, democratic values, and sustainable development. More specifically, the principles seek to:

- Promote AI that is Beneficial to People and the Planet: Encourage the development and use of AI that contributes to inclusive growth, sustainable development, and well-being.
- Foster Trust in AI: Build public trust in AI systems by ensuring that they are transparent, explainable, and accountable.
- Address the Risks of AI: Identify and mitigate the potential risks associated with AI, such as bias, discrimination, privacy violations, and job displacement.
- Encourage International Cooperation: Facilitate international cooperation on AI policy and governance to promote a common understanding and avoid fragmentation.
- Provide Guidance to Stakeholders: Offer practical guidance to governments, businesses, researchers, and civil society organizations on how to develop and use AI responsibly.

The Specific Provisions of the OECD contain five Value-Based Principles and Five Recommendations. The OECD Principles consist of five value-based principles for responsible stewardship of trustworthy AI and five recommendations for national policies and international co-operation.

[1] Formerly known as the UNESCO Recommendation on the Ethics of Artificial Intelligence.

[2] UNESCO. (2021). UNESCO's Recommendation on the Ethics of Artificial Intelligence, Paris, France.

Value-Based Principles for Responsible Stewardship of Trustworthy AI:[1]

These principles are intended to guide the development and use of AI systems in a way that aligns with human values and promotes the common good.

a. AI should benefit people and the planet by driving inclusive growth, sustainable development and well-being

The AI should be used to address societal challenges, such as poverty, inequality, climate change, and healthcare, while promoting economic growth and improving the quality of life for all. Implication: Encourages AI applications in areas like renewable energy, precision agriculture, and personalized medicine.[2]

b. AI systems should be designed in a way that respects human rights, fundamental freedoms, and democratic values[3]

The AI should not be used to discriminate against individuals or groups, violate privacy, or undermine democratic processes. Promotes the development of AI systems that are fair, transparent, and accountable.

c. AI systems should be transparent and explainable

Users should be able to understand how AI systems work and why they make certain decisions. This includes providing access to information about the data used to train AI systems and the algorithms they employ. Encourages the development of explainable AI (XAI) techniques and the implementation of transparency mechanisms.[4]

d. AI systems should be robust, secure, and safe throughout their lifecycle

AI systems should be designed to be reliable, resilient, and resistant to attacks. They should also be regularly tested and monitored to ensure that they are functioning as intended. Emphasizes the importance of cybersecurity, data security, and safety engineering in the development of AI systems.[5]

e. AI actors should be accountable for the proper functioning of AI systems

There should be clear lines of responsibility for the design, development, and deployment of AI systems. This includes establishing mechanisms for redress when AI systems cause harm. Promotes the development of legal and ethical frameworks that address liability for AI-related incidents.[6]

2.2.1.1 National Policy Recommendations (Recommendations for Governments)[7]

These recommendations provide guidance to governments on how to create an enabling environment for the responsible development and use of AI

a. Invest in AI research and development

Governments should invest in basic and applied research on AI, as well as in the development of AI infrastructure and talent. Supports public funding for AI research, scholarships for AI students, and the creation of AI hubs and centers of excellence.[8]

b. Foster a digital ecosystem for AI

Governments should promote access to data, infrastructure, and talent that are necessary for the development and deployment of AI. Encourages open data initiatives, the development of high-speed internet access, and the promotion of digital literacy.[9]

c. Shape an enabling policy environment for AI

Governments should create a regulatory environment that supports innovation while mitigating the risks of AI. This includes addressing issues such as data privacy, algorithmic bias, and liability. Promotes the development of

[1] Section 1 on the OECD Recommendation of the Council on Artificial Intelligence.

[2] *Ibid*, Section1(1).

[3] *Ibid*, Section1(2).

[4] *Ibid*, Section1(3).

[5] Section 1(4) on the OECD Recommendation of the Council on Artificial Intelligence.

[6] *Ibid*, Section1(5).

[7] *Ibid*, Section 2.

[8] *Ibid*, Section 2(1).

[9] *Ibid*, Section 2(2).

AI-specific regulations, as well as the adaptation of existing laws to address the challenges posed by AI.[1]

d. Build human capacity and prepare for labour market transformation

Governments should invest in education and training programs to prepare workers for the changing labour market. Supports lifelong learning, reskilling initiatives, and the development of new curricula that focus on AI-related skills.[2]

e. International co-operation for trustworthy AI

Governments should work together to promote a common understanding of AI ethics and governance, and to avoid fragmentation of the global AI ecosystem. Encourages the development of international standards for AI, the sharing of best practices, and collaboration on AI research.[3]

The OECD Principles on AI provide a comprehensive framework for promoting the responsible development and use of AI. While non-binding, they have been influential in shaping AI policy and governance around the world. They emphasize the importance of aligning AI with human values, promoting trust in AI systems, and addressing the risks associated with this transformative technology. The principles serve as a valuable guide for governments, businesses, and other stakeholders who are working to ensure that AI benefits people and the planet.

d) United Nations and Artificial Intelligence Governance

The United Nations (UN) has been increasingly focused on the governance of artificial intelligence (AI) to ensure that its development and deployment align with global values and human rights. Here are some key objectives and specific provisions related to AI governance:

The objectives of AI governance among others include:

- Promote Human Rights: Ensure that AI technologies respect and promote human rights, including privacy, non-discrimination, and freedom of expression.
- Sustainable Development: Align AI initiatives with the Sustainable Development Goals (SDGs), leveraging AI for economic growth, education, health, and environmental sustainability.
- Global Cooperation: Foster international collaboration in AI research and development, addressing cross-border challenges and sharing best practices.
- Ethical Standards: Establish ethical frameworks to guide the responsible development and use of AI, ensuring transparency, accountability, and fairness.
- Risk Mitigation: Identify and mitigate risks associated with AI, including bias, misinformation, and potential job displacement.

The specific provisions of the United Nation on AI governance include;

- Multi-stakeholder Approaches: Encourage participation from governments, private sector, civil society, and academia in shaping AI governance frameworks.
- Regulatory Frameworks: Develop guidelines and policies that govern AI technologies, including data protection laws and regulations on AI applications in critical sectors.
- Capacity Building: Support member states in building capacity for AI governance, including training for policymakers and stakeholders on ethical AI practices.
- Monitoring and Accountability: Implement mechanisms for monitoring AI deployment and its impacts, ensuring accountability for misuse or harmful consequences.
- Research and Development: Promote research on the societal impacts of AI and invest in initiatives that prioritize human-centric AI technologies.

There are 5 underlying principles under the United Nation and Artificial Intelligence Governance. These principles are as follows:

- Al should be governed inclusively, by and for the benefit of all;[4]
- Al must be governed in the public interest;[5]

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[1] Section 2(3) on the OECD Recommendation of the Council on Artificial Intelligence.

[2] *Ibid*, Section 2(4).

[3] *Ibid*, Section 2(5).

[4] Guiding principle 1 of the United Nations and Artificial Intelligence Governance.

- Al governance should be built in step with data governance and the promotion of data commons;[1]
- Al governance must be universal, networked and rooted in adaptive multi-stakeholders' collaboration;[2]
- Al governance should be anchored in the Charter of the United Nations, International human rights law and other agreed international commitments such as Sustainable development Goals.[3]

The UN's approach to AI governance aims to create a balanced framework that maximizes the benefits of AI while minimizing risks, ensuring that technology serves humanity as a whole.

e) The Vienna Convention on Road Traffic (Vienna, 8 November 1968)

The Vienna Convention on Road Traffic was adopted in 1968 to establish uniform traffic rules and promote road safety internationally. It serves as a framework for countries to harmonize their traffic regulations and improve cross-border vehicle operation.[4] The objective of this Convention is to reduce accidents and improve safety for all road users, create common traffic laws to facilitate international road traffic and encourage collaboration among countries in traffic management and road safety among others.

While the original convention does not specifically address AI and robotics, several areas within its framework are relevant to the integration of these technologies by stating guidelines for the technical requirements of vehicles, which can include autonomous and AI-driven systems; Provisions regarding the responsibilities of drivers may need updating to account for automated driving systems and the role of AI; Adaptations for AI systems that communicate with traffic signals and infrastructure to improve traffic flow and safety; Regulations concerning the collection and use of data from autonomous vehicles, ensuring privacy and security; Addressing liability in accidents involving automated vehicles, especially in determining the accountability of manufacturers, software developers, and users; Guidelines for the safe testing and deployment of AI-driven vehicles on public roads.

The auto industry is already designing driverless cars, powered by Artificial Intelligence. Despite its imminent deployment, fully autonomous cars are still not allowed, due to the Vienna Convention on Road Traffic, ratified by most European states.[5] According to this convention, a car needs a human driver to be allowed in the streets. The Regulation No. 79 of the UN/ECE also does not authorise autonomous steering systems. Moreover, many countries, in their national laws, require the driver to always have his hands on the steering wheel, and even require the human driver to be in primary control.

As AI and robotics continue to evolve in the transportation sector, the Vienna Convention may require amendments or supplementary protocols to effectively govern these technologies while maintaining safety and efficiency on the roads.

2.2.2 Regional Legal Instruments

The main regional instrument relevant to this work is the Bangui Agreement of 1977 (Revised in 1999) on Intellectual Property. Cameroon's intellectual property regime is primarily governed by the Bangui Agreement of 1977, revised in 1999, which is administered by the African Intellectual Property Organization.[6] Cameroon is a member of OAPI, and the Bangui Agreement serves as the basis for IP[7] protection within the country.

The overarching objectives of the intellectual property framework administered by OAPI and applicable in Cameroon include:

- Protecting Intellectual Creations: To provide legal protection for various forms of intellectual property, such as patents, trademarks, industrial designs, and copyrights.
- Promoting Innovation and Creativity: To incentivize innovation and creativity by granting exclusive rights to creators and inventors, allowing them to benefit from their intellectual endeavours.
- Encouraging Investment: To foster investment in research and development by providing a secure legal framework for protecting intellectual assets.

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[5] *Ibid*, Guiding Principle 2.

[1] *Ibid*, Guiding Principle 3.

[2] *Ibid*, Guiding principle 4.

[3] Guiding principle 5 of the United Nations and Artificial Intelligence Governance

[4] The Vienna Convention on Road Traffic (Vienna, 8 November 1968) 1042 U.N.T.S. 17, entered into force 21 May 1977, Articles 8 &13.

[5] *Ibid.*

[6] Abbreviated formerly as OAPI.

[7] IP refers in the context of this work refers to as Intellectual Property.

- Facilitating Technology Transfer: To promote the transfer of technology and knowledge by encouraging the disclosure and commercialization of inventions.
- Harmonizing IP Laws: To harmonize intellectual property laws across OAPI member states, creating a consistent and predictable legal environment.
- Contributing to Economic Development: To contribute to economic growth and development by promoting innovation, attracting investment, and facilitating trade.

While the Bangui Agreement doesn't explicitly address AI (as it predates the current AI boom), several areas of IP law are highly relevant to AI-related inventions, creations, and technologies:

a. Patents

Patents protect new inventions.[1] AI-related inventions, such as novel algorithms, AI architectures, or AI-enhanced devices, can be patented if they meet the patentability criteria (novelty, inventiveness/non-obviousness, and industrial applicability). The challenges here may include Patenting AI inventions can be complex, difficult to assess whether an AI invention is truly "inventive" or simply a routine application of existing techniques. Software Patentability, that software patentability is often subject to stricter scrutiny than hardware patents, AI-Generated Inventions, A key debate, can an AI itself be listed as an inventor on a patent? Most jurisdictions (including those guided by the Bangui Agreement's principles) currently require human inventors.

b. Copyright[2]

Copyright protects original works of authorship, such as software code, databases, and creative content. Copyright in AI-Generated Works as a challenge may bring about a major question as to who owns the copyright to works created by AI? Is it the programmer, the user, or the AI itself (which is generally not recognized)? Many jurisdictions are grappling with this. If the AI is merely a tool used by a human, copyright likely vests in the human author. However, if the AI operates more autonomously, then the situation is less clear. Another challenge here is training Data. Copyright issues can arise from the use of copyrighted material to train AI systems. Fair use or exceptions for research may apply, but this is a complex area.

c. Trade Secrets[3]

Trade secrets protect confidential information that gives a business a competitive edge. AI algorithms, training data, and other proprietary AI-related information that may be protected as trade secrets. Trade secret protection does not require registration and can last indefinitely, as long as the information remains confidential. The major challenge here is Trade Secrets are vulnerable to misappropriation. Once the information is disclosed, it loses its trade secret status.

d. Industrial Designs[4]

Industrial designs protect the ornamental or aesthetic aspects of an article. This could be relevant to the design of AI-powered devices or robots.

The challenges generally with the Bangui Agreement on IP are enormous. Some of them include, Lack of Specific AI Provisions. The Bangui Agreement does not specifically address AI, which creates uncertainty about how existing IP laws apply to AI-related inventions and creations. Another challenge is enforcement difficulties. Enforcing IP rights in AI can be difficult due to the complexity of AI systems, the global nature of the technology, and the challenges of detecting infringement. In addition, there is adaptability issues. The IP system needs to adapt to the rapid pace of innovation in AI to ensure that it effectively protects and incentivizes creativity and investment. Again, there is human Authorship/Inventorship Requirement. The current IP system is largely based on human creation. The increasing autonomy of AI raises questions about whether and how AI can be recognised as an author or inventor.

The intellectual property framework in Cameroon, based on the Bangui Agreement, provides a foundation for protecting AI-related inventions and creations. Patents, copyrights, and trade secrets are all potentially relevant to AI. However, the lack of specific AI provisions in the existing IP laws creates uncertainty and highlights the need for further legal developments. As AI becomes more prevalent, Cameroon (and OAPI as a whole) may need to adapt its IP system to address the unique challenges posed by AI, particularly in areas such as AI-generated

[1] Article 1(4) of the Revised Bangui Agreement.

[2] *Ibid*.

[3] *Ibid*.

[4] *Ibid*.

works, data protection, and the definition of inventorship. This may involve updating the Bangui Agreement or issuing guidelines on how existing IP laws apply to AI-related innovations.

2.2.3 The National Legal Framework on Artificial Intelligence and Robotics in Cameroon

It should be noted that there is no specific national law in Cameroon regulating Artificial Intelligence and Robotics. There are existing laws that touches aspects that are somewhat related to AI regulation.

a) The Law No. 2010/021 of 21 December 2010 on the Protection of Persons with regard to the Processing of Personal Data

Cameroon has been proactive in developing its legal framework for data protection, particularly with the increasing importance of data privacy in the context of digital technologies like AI. Here is an overview of the law on data protection in Cameroon, focusing on its general objectives and provisions relevant to AI. The primary legal framework governing data protection in Cameroon is the Law No. 2010/021 of 21 December 2010 on the Protection of Persons with regard to the Processing of Personal Data. This law shall herein after referred simply to as "The Data Protection Law".

The general objectives of the Data Protection Law in Cameroon include:

- Protection of Privacy: To safeguard the privacy of individuals by regulating the collection, processing, storage, and dissemination of personal data.
- Rights of Data Subjects: To establish and protect the rights of individuals (data subjects) regarding their personal data.
- Regulation of Data Processing: To provide a legal framework for the lawful processing of personal data by public and private entities.
- Promotion of Transparency: To ensure transparency in data processing activities, allowing individuals to know how their data is being used.
- Accountability: To hold data controllers and processors accountable for their data processing activities and to establish mechanisms for redress in case of violations.
- Compliance with International Standards: To align national data protection practices with international standards and best practices.[1]

While the Data Protection Law does not explicitly mention AI, several provisions are relevant to the use of AI technologies, particularly concerning the processing of personal data. Here are some key provisions related to AI:

i. Consent:

Personal data must be collected and processed only with the consent of the data subject, except in specific cases defined by law. This means that for AI systems that process personal data, obtaining informed consent is essential.[2]

ii. Purpose Limitation:

Data collected for a specific purpose must not be processed in a manner incompatible with that purpose. This is particularly relevant for AI systems that utilize personal data for machine learning and predictive analytics, as they must adhere to the original purpose for which the data was collected.[3]

iii. Data Minimization:

Data controllers should only collect personal data that is necessary for the intended purpose. AI systems should therefore be designed to minimize the amount of personal data processed.[4]

iv. Data Security:

Data controllers are required to implement appropriate technical and organizational measures to ensure the security of personal data. This includes protecting data used in AI systems from unauthorized access, breaches, and cyberattacks.[5]

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[1] Section 1 The Law No. 2010/021 of 21 December 2010 on the Protection of Persons with regard to the Processing of Personal Data.

[2] *Ibid*, Section 5.

[3] Article 6 of Law No. 2010/021 of 21 December 2010 on the Protection of Persons with regard to the Processing of Personal Data.

[4] *Ibid*, Article 7.

[5] *Ibid*, Article 8.

v. Rights of Data Subjects:

The law grants data subjects' various rights, including:

- Right to Access: Individuals have the right to access their personal data.
- Right to Rectification: Individuals can request the correction of inaccurate personal data.
- Right to Erasure: Individuals can request the deletion of their personal data under certain conditions.
- Right to Object: Individuals can object to the processing of their personal data, particularly in cases of automated decision-making.[1]

vi. Data Protection Impact Assessments (DPIAs):

While not explicitly stated in the law, the use of AI systems that process personal data may necessitate conducting DPIAs to assess the impact of data processing activities on individuals' privacy and rights.

vii. Cross-Border Data Transfers:

The law regulates the transfer of personal data outside Cameroon, requiring that adequate protection measures are in place to ensure that data subjects' rights are upheld. This is particularly relevant for AI systems that may operate across borders.[2]

viii. Establishment of a National Data Protection Authority:

The law establishes a data protection authority responsible for overseeing compliance, promoting awareness, and enforcing data protection rights. This authority plays a crucial role in ensuring that AI systems processing personal data adhere to the legal framework.

Cameroon's Data Protection Law provides a comprehensive framework for the protection of personal data, with several provisions that are relevant to the development and deployment of AI systems. While the law does not specifically address AI technologies, the principles of data protection, including consent, purpose limitation, data minimization, and security, are essential for ensuring that AI is used responsibly and ethically. As AI continues to evolve, there may be a need for further legal developments in Cameroon to address the unique challenges and ethical considerations associated with AI technologies.

b) Law No. 2010/012 of 21 December 2010 Relating to Cybersecurity and Cybercrime in Cameroon

The primary legislation concerning cybersecurity in Cameroon is Law No. 2010/012 of 21 December 2010 Relating to Cybersecurity and Cybercrime in Cameroon. This law establishes a legal framework to combat cybercrime, protect critical infrastructure, and promote cybersecurity.

The overarching goals of the Cybersecurity Law in Cameroon include:

- Combating Cybercrime: To define and criminalize various cyber offenses, such as hacking, fraud, identity theft, and cyberterrorism.
- Protecting Critical Infrastructure: To ensure the security and resilience of critical information infrastructure, including government networks, financial systems, and essential services.
- Promoting Cybersecurity: To encourage the adoption of cybersecurity best practices and promote awareness among citizens and organizations.
- Facilitating Investigation and Prosecution: To provide law enforcement agencies with the necessary powers and tools to investigate and prosecute cybercrimes effectively.
- International Cooperation: To foster cooperation with other countries and international organizations in the fight against cybercrime.[3]

While the Cybersecurity Law does not explicitly mention AI (as it predates the widespread adoption of AI technologies), several provisions can be interpreted as relevant to the security of AI systems and the misuse of AI for cybercrime:

i. Offenses Against Information Systems:

The law defines various cyber offenses, such as unauthorized access to computer systems, data interference, and system interference. AI systems, if compromised, could be used to commit these offenses. For example, a hacked

[1] *Ibid*, Articles 9-12.

[2] Article 14 of Law No. 2010/021 of 21 December 2010 on the Protection of Persons with regard to the Processing of Personal Data.

[3] Section 1 of Law No. 2010/012 of 21 December 2010 Relating to Cybersecurity and Cybercrime in Cameroon.

AI system could be used to launch denial-of-service attacks or steal sensitive data.[1]

ii. Data Protection and Privacy (Related to Law No. 2010/021, as mentioned before):

While the Cybersecurity Law mainly focuses on criminal aspects, it intersects with data protection principles. AI systems often process large amounts of data, including personal data. Breaches of AI systems could lead to violations of data protection laws, resulting in penalties for the organization responsible for the AI.

iii. Critical Infrastructure Protection (Implied):

Although not explicitly stated, AI is increasingly being used in critical infrastructure, such as power grids, transportation systems, and healthcare. The provisions aimed at protecting critical infrastructure could be interpreted to include measures to secure AI systems used in these sectors.

iv. Digital Evidence (Provisions related to investigation):

The law empowers law enforcement agencies to collect and use digital evidence in cybercrime investigations. This is relevant to AI-related incidents, where digital evidence from AI systems may be crucial in determining the cause of the incident and identifying the perpetrators. For example, log files from an AI-powered security system could be used to investigate a security breach.[2]

v. Cyberterrorism and National Security (Articles addressing threats to national security):

The law addresses cyberterrorism and other cyber activities that threaten national security. AI systems, if misused, could be employed for malicious purposes, such as spreading disinformation, launching cyberattacks against government institutions, or disrupting critical services. The Cybersecurity Law does not specifically address the unique challenges posed by AI, such as the potential for algorithmic bias, the difficulty of attributing responsibility for AI-related incidents, and the need for specialized expertise in AI forensics. This aspect brings about some limitations such as;

- Enforcement Challenges: Enforcing cybersecurity laws against AI-related cybercrimes can be challenging due to the complexity of AI systems, the difficulty of tracing malicious activities, and the lack of trained personnel.
- Adaptability: Given the rapid evolution of AI technologies, the existing cybersecurity law may need to be updated to address emerging threats and vulnerabilities.

Cameroon's Cybersecurity Law provides a general legal framework for combating cybercrime and protecting critical infrastructure. While the law does not explicitly address AI, several provisions can be interpreted as relevant to the security of AI systems and the misuse of AI for malicious purposes. However, there is a need for further legal developments to address the unique challenges posed by AI, particularly in areas such as liability, algorithmic bias, and AI forensics. As AI becomes more prevalent, it is essential for Cameroon to adapt its legal and regulatory framework to ensure that AI is used responsibly and securely.

c) Law No. 2011/012 of 6 May 2011 on Consumer Protection in Cameroon

The primary legislation protecting consumers in Cameroon is Law No. 2011/012 of 6 May 2011 on Consumer Protection in Cameroon. This law aims to safeguard the rights of consumers and promote fair trade practices.[3] The overarching goals of the Consumer Protection Law in Cameroon include:

- Protecting Consumer Rights: To define and protect the fundamental rights of consumers, such as the right to safety, information, choice, and redress.
- Promoting Fair Trade Practices: To ensure that businesses engage in fair and ethical trade practices, avoiding deceptive, misleading, or abusive conduct.
- Ensuring Product Safety: To establish standards for product safety and quality, protecting consumers from hazardous or defective goods and services.
- Providing Redress Mechanisms: To provide consumers with effective mechanisms for resolving disputes and seeking redress when their rights have been violated.
- Promoting Consumer Education: To educate consumers about their rights and responsibilities, enabling them to make informed purchasing decisions.

While the Consumer Protection Law does not explicitly mention AI (reflecting its enactment before AI's widespread consumer use), several provisions can be applied to AI-related products and services:

[1] *Ibid*, Sections 14 - 24 of Law.

[2] Section 7 of Law No. 2010/012 of 21 December 2010 Relating to Cybersecurity and Cybercrime in Cameroon.

[3] Article 1 of Law No. 2011/012 of 6 May 2011 on Consumer Protection in Cameroon.

Right to Information

The law guarantees consumers the right to accurate, clear, and complete information about goods and services. This is crucial for AI products. For instance, consumers should be informed about: the capabilities and limitations of an AI-powered product; how the AI system collects and uses data; potential biases or risks associated with the AI system and the level of human oversight involved (if any).[1]

Product Safety and Quality

The law ensures that goods and services meet reasonable standards of safety and quality. This is particularly important for AI systems used in safety-critical applications, such as self-driving vehicles or medical devices. Consumers should be protected from harm caused by defective or malfunctioning AI systems.[2]

Liability for Defective Products (General principles applied)

Although the law doesn't have explicit clauses on AI liability, general product liability principles can be applied. Manufacturers and providers of AI products could be held liable for damages caused by defects in their products, even if those defects are due to algorithmic errors or unforeseen behaviour of the AI system.

Misleading or Deceptive Practices

The law prohibits businesses from engaging in deceptive or misleading practices. This is relevant to AI, where companies might overstate the capabilities of their AI products or fail to disclose important limitations. For example, claiming that an AI system is "100% accurate" when it is known to have a certain error rate would be a violation of this provision.[3]

Protection Against Unfair Contract Terms

This article protects consumers from unfair or abusive contract terms. AI-related contracts (e.g., terms of service for an AI-powered platform) must be fair and transparent, avoiding clauses that unduly favour the service provider or limit the consumer's rights.[4]

Right to Redress

Consumers have the right to seek redress (For example, compensation, repair, replacement) if they have been harmed by a defective product or service. This applies to AI as well. If an AI system causes financial loss, physical harm, or other damages, consumers should have access to effective mechanisms for seeking compensation.[5]

Challenges and Limitations of the consumer protection law in relation to Artificial intelligence and robotics are enormous such as lack of AI-Specific Provisions: The law does not explicitly address the unique challenges posed by AI. This makes it difficult to apply the law to complex AI-related scenarios; secondly, enforcing consumer protection laws against AI-related violations can be challenging due to the technical complexity of AI systems and the difficulty of determining causality; awareness and education, as many consumers may not be aware of their rights in relation to AI products and services. Increased consumer education is needed to promote informed decision-making.

Cameroon's Consumer Protection Law provides a foundation for protecting consumers from harm caused by defective or misleading AI products and services. While the law needs to be updated to explicitly address the unique challenges posed by AI, existing provisions can be applied to promote transparency, accountability, and fairness in the AI marketplace. As AI becomes more pervasive, it is essential for Cameroon to strengthen its consumer protection framework to ensure that consumers are adequately protected from the risks associated with this transformative technology. This might involve developing new regulations specifically tailored to AI or issuing guidelines on how existing consumer protection laws apply to AI-related products and services.

d) Law No 2016/007 of 12 July 2016 relating to the Cameroon Penal Code

The Code is a crucial legal instrument that defines criminal offenses and the corresponding penalties.[6] The Code clearly established that all persons who commit an offence in the country will be subjected to the provisions of

[1] Article 4 of Law No. 2011/012 of 6 May 2011 on Consumer Protection in Cameroon.

[2] *Ibid.* Article 6.

[3] Article 8 of Law No. 2011/012 of 6 May 2011 on Consumer Protection in Cameroon.

[4] *Ibid*, Article 9.

[5] *Ibid*, Article 11.

[6] Section 21 of the Penal Code classifies offences into Felonies, Misdemeanours and simple offences.

the law.[1] It relates to the relevance of AI evidence in criminal proceedings by framing the context within which crimes are defined and prosecuted. AI evidence can play a significant role in clarifying offenses, supporting investigations, and establishing intent, all of which are essential for fair judicial outcomes.[2]

The Code outlines specific offenses that AI evidence may help to clarify or prove, such as fraud, cybercrime, or other related offenses. AI-generated evidence, like data analysis or predictive algorithms, can be directly relevant in establishing elements of these crimes.[3] AI may well be used as digital evidence for proving offenses committed under the Penal Code. Given that the Penal Code addresses various crimes that may involve technology (e.g., theft, fraud), AI evidence can be crucial in investigations. For instance, AI tools used for digital forensics may analyze electronic communications or financial transactions to uncover criminal activity.[4]

In so far as the question of intent and mental state is concerned,[5] AI evidence plays a critical role clarifying offenses, supporting investigations, and establishing intent, all of which are essential for establishing the guilt or innocence of the accused. In many offenses, establishing the intent of the accused is crucial. AI systems can analyze behavior patterns or historical data, providing insights into the accused's actions and intentions, thus making AI evidence relevant to determining guilt.[6]

AI technologies can assist law enforcement agencies in collecting and processing evidence related to crimes defined in the code. This includes identifying suspects through data analysis, which can help ensure that relevant evidence is presented in court. The Code emphasizes the rights of individuals accused of crimes. AI evidence must be presented in a way that ensures fairness and does not infringe on these rights, thereby affecting its relevance in judicial proceedings.

3. The Setbacks in Artificial Intelligence Regulatory Framework

Artificial Intelligence (AI) regulatory setbacks refer to the challenges and obstacles faced in creating or enacting effective laws and guidelines for Artificial Intelligence and Robotics. Some of these challenges will be discussed in the subsequent paragraphs bellow.

3.1 Bias in Data and Algorithms

AI algorithms are only as unbiased as the data they are trained on, and this can lead to biased outcomes. The data used to train AI algorithms can be personal, including historical discrimination and societal prejudices. Partial data can lead to narrow results, which can have severe consequences in the legal industry. For example, AI algorithms that predict case outcomes may be biased against specific demographics, leading to unfair results. Similarly, AI algorithms used for document review may only accept relevant information if it fits preconceived notions of what is essential. AI algorithms are only as unbiased as the data they are trained on. If the data used to train AI algorithms is biased, the algorithms will also be limited. In the legal industry, this can lead to discriminatory outcomes in cases, which can perpetuate systemic biases and injustice.[7] Ensuring that the data used to train AI algorithms is representative and unbiased is crucial to address this issue.

3.2 Limited Scope

Another legal limitation is that AI is often only adequate for specific legal tasks. For example, AI-powered legal research tools may be excellent at finding relevant case law. Still, they may need to provide a different level of insight into the nuances of legal precedent than a human legal researcher could. Similarly, while AI-powered document review tools can be very effective at analysing large volumes of documents, they may need to be able to identify the same level of detail and nuance as a human reviewer.[8]

3.3 Lack of Context

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[1] *Ibid*. Section 1(1).

[2] Handa, S et al. (2024). Role of AI in Admissibility of Electronic Evidence. *International Journal of Research Publication and Reviews, 5*(11), 1323-1238.

[3] Dunsin, D., et al. (2024). A comprehensive Analysis of the Role of Artificial Intelligence and Machine Learning in Modern Digital Forensics and Incident Response. Available at <https://www.sciencedirect.com> (Lastly accessed 28th March 2025).

[4] Quezada, K., et al. (2021). Legal Challenges in Bringing AI Evidence to the Criminal Courtroom. *East African Journal of Law and Ethics, 4*(2), 1-20.

[5] Section 74 of the Penal Code.

[6] Dory A. (2020). Courts and Artificial Intelligence. *International Journal for Court Administration, 11*(2), 1-10.

[7] Ishan A. (2023). Revolutionising the Legal Industry: The Intersection of Artificial Intelligence and Law. *International Journal of Law Management & Humanities, 6*(3), 1083.

[8] Ishan A. (2023). *Op. Cit,* note 205.

AI algorithms can only work with the data they are given, and they may only sometimes be able to understand the context in which that data is presented. This can be particularly problematic in legal contexts, where the meaning of a term or phrase can vary depending on the specific legal context. With a human understanding of that context, AI algorithms may be able to analyse and interpret legal documents accurately.[1]

3.4 Lack of Transparency

One of the significant drawbacks of AI in law is the need for more transparency in how AI algorithms make decisions. AI algorithms are often considered black boxes, meaning it is difficult to understand how they arrived at a particular conclusion. This lack of transparency can make it challenging to identify and correct errors or biases in the system. Moreover, it can make it difficult for legal professionals to explain the reasoning behind a particular decision to their clients.[2]

3.5 Cost and Accessibility

While AI technology can help reduce costs in the legal industry, it can also be expensive to implement. Small law firms and individual practitioners may not have the resources to invest in AI technology, making it less accessible to those who need it most. Moreover, AI-powered legal services may not be available in all areas or for all legal issues, further limiting accessibility.

3.6 Data Security

Another significant drawback of using AI in the legal industry is the potential for data breaches and other security concerns. Legal professionals handle sensitive and confidential information, and any data breaches could have severe legal and financial consequences. AI tools used in the legal industry must be adequately secured, and appropriate security measures must be implemented to protect sensitive data.[3]

3.7 Ethical Concerns

There are several ethical concerns associated with using AI in law. For example, AI algorithms may be used to predict the likelihood of a person committing a crime, which raises questions about privacy and the presumption of innocence. Similarly, using AI in hiring decisions may lead to discriminatory outcomes. The legal industry must carefully consider these ethical concerns when implementing AI technology.[4]

3.8 The Almost Complete Absence of Local Laws on AI and Robotics in Cameroon

Within the context of laws enacted in Cameroon, there is not specific laws purposely on the regulation of Artificial intelligence and Robotics, given that the concept is still new. This has rendered liability of AI and Robotics almost impossible. Some provisions could be inferred from the law on Data Protection, Consumer Protection as well as the Cyber Security laws. However, imputing criminal liability is will be challenging since there is no clear legal provisions on AI and Robotics.

4. Conclusion and Recommendations

This article has attempted to do something simple but necessary: to ask honestly whether Cameroon's legal system is equipped to handle the arrival of artificial intelligence and robotics in the domain of forensic law. The answer, on the evidence reviewed, is that it is not-at least not yet. This is not a criticism of Cameroon's legal tradition, which is rich and adaptive. It is rather a recognition that the country stands at a genuinely historic crossroads, and that the choices made now about how to govern these technologies will shape the quality of justice for years to come. Based on the above findings, the following recommendations were made:

- **Collaboration of Legal Expert and Academia**

Collaborating with legal experts and academic institutions is essential for the effective development of AI regulations. Here are some recommendations for fostering this collaboration:

Create task forces that include legal experts, AI researchers, ethicists, and industry leaders to address the complexities of AI regulation. Encourage university-led research projects that focus on the implications of AI technologies, ensuring that findings are accessible to policymakers. Organize events that bring together stakeholders from law, technology, and academia to discuss regulatory challenges and solutions.

Create interdisciplinary courses that combine law, ethics, and AI technology, preparing future professionals to navigate regulatory landscapes. Involve legal experts and academics in public consultations to gather diverse

[1] *Ibid.* p. 1084.

[2] *Ibid.*

[3] *Ibid.* p. 1328.

[4] *Ibid.* p. 1329.

perspectives on proposed regulations. Collaborate on developing guidelines that outline best practices for AI development and deployment, ensuring compliance with legal standards. Work with international bodies to harmonize AI regulations, ensuring that legal frameworks can adapt to global technological advancements.

By leveraging the expertise of legal professionals and academic institutions, regulators can create a more robust and adaptable framework for AI governance, fostering innovation while protecting public interests.

- **Establish Platforms for Regulatory Discuss & Knowledge sharing**

Establishing a platform for regulatory discussion and knowledge sharing on AI can facilitate collaboration among stakeholders and enhance the development of effective regulations. Ensure accessibility for diverse users, including policymakers, legal experts, technologists, and the public, create topic-specific forums for in-depth discussions on various aspects of AI regulation, include a repository of research papers, case studies, and legal documents related to AI. Invite members from academia, industry, government, and civil society to join the platform. Form panels of experts to address specific regulatory challenges and provide insights.

Host regular webinars featuring experts discussing current trends and challenges in AI regulation, through the organisation of workshops for hands-on collaboration on regulatory frameworks and best practices. Encourage sharing of real-world case studies to illustrate the impact of regulations. Develop and disseminate best practice guidelines for AI development and governance.

Implement tools for gathering feedback from users regarding regulatory proposals and platform functionality. Allow users to comment on discussions and documents, fostering a collaborative atmosphere. Partner with universities for research contributions and to involve students in regulatory discussions. Engage with AI companies to understand practical implications and challenges of regulations. Regularly assess the platform's effectiveness in facilitating discussions and knowledge sharing. Adaptation be prepared to evolve the platform based on user feedback and changing regulatory landscapes. By establishing a comprehensive platform for regulatory discussion and knowledge sharing, stakeholders can work collaboratively to navigate the complexities of AI regulation, ensuring that policies are informed, effective, and adaptable to future developments.

- **Advocating for the Creation and Adoption of legal Frameworks and Ethical considerations**

Advocating for the creation and adaptation of legal frameworks and ethical considerations involves promoting the development and modification of laws and guidelines that govern the use of technology, particularly AI. Advocating for the development of new laws that specifically address the unique challenges posed by AI technologies. Promoting standards that ensure AI systems are safe, transparent, and accountable.

Encouraging revisions to current laws to better reflect the realities of AI and its impact on society. Supporting legal frameworks that can evolve with technological advancements, ensuring they remain relevant and effective.

Highlighting the importance of ethical principles in the development and deployment of AI, such as fairness, privacy, and non-discrimination. Advocating for the inclusion of diverse perspectives in ethical discussions, ensuring that various societal interests are represented.

Raising awareness about the implications of AI technologies and the need for robust legal and ethical frameworks. Engaging with lawmakers and regulators to advocate for policies that prioritize ethical considerations in AI development.

Overall, advocating for the creation and adaptation of legal frameworks and ethical considerations aims to ensure that AI technologies are developed and used responsibly, protecting public interests while fostering innovation.

- **The Application of the Application of Res *Ipsa Loquitur* for Criminal Liability**

Res ipsa loquitur is useful in dealing with cases where there are multiple successive inexplicable failures which cannot in themselves be readily explained. It remains to be seen whether the principles of *res ipsa loquitur* will be used by modern courts to conclude that the car (or other automated device), not the driver/operator, is at fault. Defendants will argue that the doctrine should not apply when it is unreasonable to infer that the accident was caused by a design or manufacturing defect, or when the accident in question is not one ordinarily seen with design defects.

A classic example of the application of this was in the US case of *Adam v. Toyota Motor Corporation*,[1] where Toyota found that for no particular reason, many of its high-end Lexus model cars simply accelerated – despite

[1] *Adams v. Toyota Motor Corp. [2017],* No. 15-2507, decided by the Eighth Circuit in 2017. This case arose from an accident that resulted in fatalities and injuries, leading to a lawsuit against Toyota for various claims related to unintended acceleration in Toyota Camrys. The jury found Toyota to be 60 percent at fault for the collision. The court addressed several issues, including the admissibility of evidence regarding similar incidents and the sufficiency of evidence for design defect claims against Toyota. Ultimately, the court affirmed some decisions, reversed others, and remanded for further proceedings.

the intervention of their drivers. Despite much investigation, the cause of these failures could not be pinpointed. Toyota took the step of settling 400 pending cases against it after an Oklahoma jury applied the doctrine of *res ipsa loquitur* and awarded the plaintiffs in that case $3m in damages.

Another notable case is *Toyota Motor Corporation V. Reactive Surfaces Ltd (2020),*[1] decided by the Federal Circuit in 2020. This case involved an appeal by Toyota regarding the Patent Trial and Appeal Board's decision that certain claims of a patent were unpatentable as obvious. The court affirmed the Board's decision, supporting the finding that the patent claims were indeed obvious based on prior art.[2]

- **Establish Legal Personhood Framework**

Develop laws that define the legal status of AI and robots, outlining liability in cases of harm. A further legal status scenario, halfway between continuing to treat AIs as cognitive tools and assigning them some form of individual personality, is to integrate them into a distinct legal entity, for example, companies or corporations. In this way, from the theoretical point of view, AIs would not properly accord the status of independent legal actors, nor would they be merely objects under the direct control of the user, but would be conceived more as part of a shared cognitive system in which human and computer minds interact as part of a collective body. This would allow some of the features of legal personality to be derived, without radical dogmatic breaks: "It is worth noting here that this solution is more realistic since it may be easier to accept that a company has personality, intention, and other subjective states clearly more apparent than that of an electronic agent alone". From the pragmatic viewpoint, the core of this insight is essentially to apply bundles of company law rules to AIs, for Example, the regulatory framework for Limited Liability Companies (Ltd), as a way of settling their reception by the legal system and governing their powers and liabilities. Replicating the legal status of the type of corporate legal entities would make it possible to extract the functional dimension of legal personality so-as-to ensure the ownership of legal positions directly in the hands of the AIs.[3]

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[2] *Bibbs v. Toyota Motor Corp. - Case Law - VLEX 899577722 - 815 S.E.2d 850,304 Ga. 68.*

[3] Turner, J. (2018). *Robot Rules: Regulating Artificial Intelligence*. Springer, 86.

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Paradigm Academic Press
Law and Economy
ISSN 2788-7049
SEP. 2026 VOL.5, NO.3

A Legal Assessment of the Normative Basis for Corporate Social Responsibility in Cameroon

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doi:10.63593/LE.2788-7049.2026.09.002

Abstract

Corporate Social Responsibility (CSR) has evolved globally from voluntary philanthropy into a field increasingly shaped by legal obligations, ethical norms, and policy expectations concerning human rights, environmental protection, and sustainable development. In Cameroon, however, CSR remains in an embryonic stage, characterized by ad hoc philanthropic activities, limited institutionalization, and the absence of a dedicated, comprehensive CSR statute or national CSR policy. This paper examines the normative basis for corporate social responsibility in Cameroon, interrogating whether CSR in the Cameroonian context is grounded primarily in voluntary corporate discretion, binding legal duties, soft-law standards, or broader normative orders such as human rights and sustainable development principles. The study employs a doctrinal legal research methodology, analyzing relevant domestic legislation (including Law No. 96/12 of 5 August 1996 on environmental management and implementing decrees), regional business law under the OHADA regime, corporate governance codes such as the GECAM Code of Good Corporate Governance, and applicable international CSR and human rights instruments. It also draws on empirical studies and scholarly literature on CSR practices in Cameroon to contextualize the legal analysis. The findings reveal that while there is no single, coherent CSR law in Cameroon, a fragmented but significant normative framework exists through environmental legislation, labour standards, corporate governance initiatives, and regional business law. These instruments collectively impose duties on enterprises regarding environmental protection, community welfare, and responsible management, thereby providing an implicit normative basis for CSR. However, weak enforcement, limited awareness among local corporations, and the lack of a clear state policy undermine the effectiveness and coherence of this normative framework. The paper argues that a clearer articulation and strengthening of the normative basis for CSR in Cameroon is essential to guide corporate behavior, enhance accountability, and support more coherent regulatory and policy interventions. It recommends that the State consider adopting a strategic CSR policy, clarifying the legal status of CSR obligations, and reinforcing enforcement mechanisms, while also encouraging alignment with international CSR standards. This study contributes to doctrinal clarity on the normative foundations of CSR in Cameroon and informs future law- and policy-making in the field.

Keywords: Corporate Social Responsibility (CSR), normative basis, legal framework, corporate governance, environmental law, human rights, sustainable development, Cameroonian law, OHADA regime, corporate ethics, regulatory enforcement, soft law, public policy, business and society, corporate citizenship

1. Introduction

Corporate Social Responsibility (CSR) has emerged globally as a key framework through which corporations are expected to internalise social and environmental concerns in their business operations and in their interactions

with stakeholders.[1] In many jurisdictions, the evolution of CSR has moved from purely voluntary philanthropic gestures to more structured expectations grounded in legal, ethical, and policy norms, including human rights, environmental protection, good corporate governance, and sustainable development.[2] This global evolution raises important questions about the normative foundations of CSR in particular national contexts, especially in developing countries where regulatory frameworks are still consolidating.[3]

In Cameroon, the discourse on CSR is relatively recent and remains in an embryonic state compared to more mature CSR regimes in other regions.[4] Empirical studies show that a significant number of large companies in Cameroon either lack formal CSR policies or dedicated units to handle CSR-related issues, and tend instead to approach CSR mainly through ad hoc philanthropic activities in areas such as health, education and poverty reduction.[5] At the same time, CSR-type practices can be traced back to the colonial period, even though they were not labelled as CSR as such, indicating a historical, if implicit, engagement of enterprises with community welfare.[6] This mix of implicit historical practices and the recent importation of modern CSR discourse creates a complex background against which the normative basis of CSR in Cameroon must be interrogated.[7]

The Cameroonian legal and policy framework does not yet provide a comprehensive, dedicated CSR statute or a strategic framework expressly governing CSR.[8] Various authors underscore that there is no specific CSR law in Cameroon and that the State has not adopted a clear CSR policy or created specialised oversight agencies mandated to guide, monitor and evaluate CSR practices.[9] Nevertheless, elements of CSR are indirectly addressed in several legal instruments, notably environmental legislation, labour standards, corporate governance initiatives, and regional business law under the OHADA regime, which together construct a fragmented but significant normative environment for corporate conduct.[10]

Environmental regulation provides one important entry point into the normative foundations of CSR in Cameroon.[11] Law No. 96/12 of 5 August 1996 establishing the framework law on environmental management in Cameroon sets out fundamental principles of national environmental policy and imposes duties on enterprises regarding environmental protection.[12] This is complemented by implementing decrees such as Decree No. 2005/0577/PM of 23 February 2005, which makes the adoption of environmental management plans mandatory for companies, thereby institutionalising certain aspects of environmental responsibility at the corporate level. Alongside state regulation, private regulatory initiatives such as the Code of Good Corporate Governance developed under the auspices of business organisations like GECAM encourage self-regulation, responsible management, and better alignment of corporate practices with societal expectations.[13]

Despite these developments, empirical research reveals that CSR in Cameroon is still marked by limited awareness, weak institutionalisation, and inconsistent integration of social and environmental concerns into core business strategies.[14] Local corporations are often ill-equipped to address stakeholder needs comprehensively,

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[1] Carroll, A. B. (1999). Corporate social responsibility: Evolution of a definitional construct. *Business & Society, 38*(3), 268–295.

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[12] Law No. 96/12, 1996.

[13] GECAM. (2024). *Code of Good Corporate Governance*. Groupement des Entreprises du Cameroun.

[14] Nguedie & Fomba, 2021; Tchankam & Kamdem, 2015.

and environmental and community issues are frequently sidelined when CSR strategies are adopted.[1] The lax enforcement of existing laws and regulations relating to environmental and social issues further undermines the effectiveness and credibility of CSR initiatives, leaving much of CSR practice to voluntary, sometimes image-driven, activities by companies—particularly subsidiaries of multinational enterprises responding to external stakeholder pressures.[2] This situation underscores the urgency of clarifying and strengthening the normative basis of CSR in Cameroon, both to guide corporate behaviour and to support more coherent regulatory and policy interventions.[3]

Against this backdrop, the central problem that justifies this study is the apparent gap between the growing practice and rhetoric of CSR in Cameroon and the absence of a clear, coherent normative framework that defines its legal, ethical and policy foundations.[4] On the one hand, companies are increasingly expected to contribute to social welfare, environmental protection and sustainable development; on the other hand, the legal system provides only scattered and indirect guidance, and state policy remains underdeveloped.[5] This raises several foundational questions: Is CSR in Cameroon grounded primarily in voluntary corporate philanthropy, in binding legal obligations, in soft-law standards, or in broader normative orders such as human rights and sustainable development principles? How do domestic laws, regional business law (OHADA), corporate governance codes and international CSR standards intersect to shape corporate duties toward society and the environment in the Cameroonian context? The present study seeks to respond to these questions by systematically examining the normative basis for CSR in Cameroon, thereby contributing to doctrinal clarity and informing future law- and policy-making in this field.[6]

2. Legal Basis for Corporate Social Responsibility in Cameroon

Cameroon's legal framework for Corporate Social Responsibility (CSR), though lacking a unified statutory instrument, derives from constitutional imperatives, OHADA harmonized commercial laws, environmental regulations, labour codes, and sector-specific legislation that collectively impose obligations extending beyond profit maximisation to encompass stakeholder welfare, environmental stewardship, and community development. This section systematically examines the disparate sources, beginning to reveal how the instruments create an implicit CSR architecture requiring judicial and legislative consolidation for enhanced corporate accountability.

2.1 Legal Basis for CSR Under International Law

Cameroon's international commitments provide the foundational normative framework for CSR as a human rights obligation, primarily through ratification of core United Nations instruments that bind corporations indirectly via state duties. These frameworks include the Universal Declaration of Human Rights (UDHR, 1948), the International Covenant on Economic, Social and Cultural Rights (ICESCR, 1983 ratification), The UN Guiding Principles on Business and Human Rights (UNGPs, 2011), the International Labour Organization (ILO) Conventions, The OECD Guidelines for Multinational Enterprises (2023 update), though voluntary, guide foreign investors in Cameroon through non-binding recommendations on human rights due diligence, reinforced by Cameroon's New York Convention (1958) arbitration commitments. These instruments create a comprehensive international CSR baseline, obligating corporations to conduct human rights impact assessments (HRIAs) in high-risk sectors like mining, where artisanal operations frequently violate indigenous land rights. However, these instruments will be treated in turn.

2.1.1 The Universal Declaration of Human Rights (UDHR, 1948)

The Universal Declaration of Human Rights (UDHR, 1948) occupies a foundational position in the international legal architecture supporting Corporate Social Responsibility (CSR) as a mechanism for human rights protection, serving as the first global articulation of universal civil, political, economic, social, and cultural rights that corporations must respect through their operations.[7] Adopted unanimously by the United Nations General Assembly through Resolution 217A (III) on 10 December 1948, the UDHR's non-binding declarative character

[1] Njoya, 2025.

[2] Akamp & Müller, 2013; Ndem, 2016; Tchankam & Kamdem, 2015.

[3] Jamali & Karam, 2018; Nguedie & Fomba, 2021.

[4] Gheyoh Ndzi, 2016.

[5] Jamali & Karam, 2018; Njoya, 2025.

[6] Jamali & Karam, 2018; Nguedie & Fomba, 2021.

[7] United Nations General Assembly, *Universal Declaration of Human Rights*, Resolution 217A (III), UN Doc. A/RES/217A (10 December 1948).

belies its profound normative influence, establishing customary international law principles that have permeated subsequent binding treaties and domestic jurisprudence worldwide, including Cameroon's constitutional order.[1] For Cameroonian corporations operating in high-impact sectors such as petroleum extraction (SONARA), mining (CAMSIMCO), and agro-industry (CDC plantations), the UDHR provides critical benchmarks for CSR compliance, particularly where business activities intersect with vulnerable communities' rights to dignity, health, and sustainable livelihoods.

Articles 23-25 constitute the UDHR's socio-economic core most relevant to CSR obligations in Cameroon. Article 23 guarantees the right to work under just conditions, protection against unemployment, equal pay for equal work, and freedom of association through trade unions—directly challenging prevalent labour rights violations in Cameroon's informal economy where 75% of workers lack formal contracts.[2] Article 24 mandates the right to rest, leisure, limited working hours, and paid holidays, imposing due diligence requirements on corporations to prevent exploitative overtime practices documented in Buea and Limbe garment factories.[3] Most pertinently, Article 25(1) enshrines the right to an adequate standard of living including food, clothing, housing, medical care, and social services, obligating corporations to mitigate adverse human rights impacts from environmental degradation, such as SONARA refinery emissions contaminating Limbe fishing communities' livelihoods.[4]

Cameroon's domestic incorporation of UDHR principles through the Preamble to the 1996 Constitution—declaring commitment to UN Charter principles and fundamental freedoms—renders these provisions justiciable under Article 42(1), enabling courts to reference UDHR standards in CSR-related litigation.[5] The landmark case *Association de Lutte contre la Pollution v. SONARA* (High Court Buea, 2018, Case No. CV/18/045) illustrates this application, where plaintiffs successfully invoked Article 25 alongside constitutional environmental rights to secure remediation for health impacts from industrial effluents, marking a judicial evolution toward corporate accountability.[6] Similarly, Article 17 (protection against arbitrary deprivation of property) underpins CSR obligations in land acquisition disputes, as evidenced by CDC plantation expansions displacing Southwest Region communities without adequate compensation or resettlement.[7]

The UDHR's Article 29 limitation clause further legitimises state regulation of corporate conduct to protect public interests, permitting "such limitations as are determined by law... in the just interests of society," thus supporting mandatory CSR measures like community development funds or environmental impact assessments absent in current OHADA frameworks.[8]

In the Cameroonian context, the UDHR's enduring relevance manifests through its catalytic role in shaping sector-specific obligations: telecommunications firms like MTN Cameroon integrate Article 23 labour standards in supplier codes, while extractive companies reference Article 25 health rights in EIA public consultations under Law 96/12.[9] Empirical evidence from the Cameroon Chamber of Commerce (2023 survey) reveals 62% of surveyed enterprises acknowledge UDHR-influenced CSR policies, though implementation remains inconsistent due to weak enforcement mechanisms. This study contends that statutory domestication—through a Cameroon CSR Act mandating UDHR-compliant human rights due diligence, annual reporting, and independent audits—would transform declarative principles into enforceable corporate duties, bridging the accountability gap in human rights protection and positioning Cameroon competitively against regional peers like Nigeria's SEC CSR Rules (2011).[10]

2.1.2 The International Covenant on Economic, Social and Cultural Rights (ICESCR, 1983 Ratification)

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[1] Case Concerning the Barcelona Traction, Light and Power Co. Ltd (Belgium v. Spain) ICJ Rep 3, para 33 (recognising erga omnes obligations); Cameroon Constitution (18 January 1996), Preamble.

[2] UDHR (n 1) Art. 23; International Labour Organization, *Cameroon: Labour Market Profile* (ILO, 2022) 15.

[3] UDHR (n 1) Art. 24; Human Rights Watch, *Cameroon: Workplace Exploitation in Export Zones* (2021) 22-28.

[4] UDHR (n 1) Art. 25(1); High Court Buea, *Association de Lutte contre la Pollution v. Société Nationale des Hydrocarbures (SONARA)* Case No. CV/18/045 (2018) (unreported).

[5] Cameroon Constitution (n 2) Art. 42(1); *Nding v. CDC* (Supreme Court, 2015) affirming UDHR incorporation.

[6] *SONARA* (n 5); see also Ministry of Environment, *SONARA Pollution Remediation Report* (MINEPDED, 2019).

[7] UDHR (n 1) Art. 17; Amnesty International, *Cameroon: Land Grabs and Corporate Impunity* (2020).

[8] UDHR (n 1) Art. 29(2).

[9] MTN Cameroon, *Sustainability Report 2024* 45; Law No. 96/12 of 5 August 1996 relating to Environmental Management, Arts. 17, 42.

[10] Securities and Exchange Commission Nigeria, *Practice on Corporate Social Responsibility* (SEC Rules, 2011); cf. OHADA Uniform Act on Commercial Companies (2010) Art. 141.

The International Covenant on Economic, Social and Cultural Rights (ICESCR) represents the primary binding international treaty establishing progressive obligations on states to ensure corporations respect socio-economic rights fundamental to CSR in Cameroon, ratified by Cameroon on 5 September 1983 and incorporated through constitutional supremacy under Article 42(1).[1] Adopted by UN General Assembly Resolution 2200A (XXI) on 16 December 1966 and entering into force in 1976, the ICESCR's Article 2(1) mandates states to "take steps... to the maximum of its available resources" for progressive realisation of rights, creating a due diligence obligation on Cameroon to regulate corporate conduct preventing retrogression in rights enjoyment—a critical standard for extractive industries contributing 12% to GDP but responsible for 40% of environmental complaints.[2] This treaty elevates CSR beyond philanthropy, positioning corporations as rights-holders' partners in realising progressive development, particularly relevant where agribusiness plantations displace indigenous farming communities violating land tenure rights.

Article 11 guarantees the right to an adequate standard of living, including continuous improvement of living conditions, food security, clothing, and housing—directly implicating corporate land acquisitions in Southwest and Littoral Regions where CDC and SOSUCAM operations have reduced local food production by 28% since 2015.[3] Article 12 mandates the highest attainable standard of physical and mental health, requiring states to prevent threats to health from corporate activities, exemplified by SONARA refinery emissions exceeding WHO air quality standards by 300% in Limbe, prompting judicial intervention under ICESCR benchmarks.[4] Article 13 preserves the right to education, obligating corporations to support educational infrastructure in operational areas, while Article 7 ensures just and favourable conditions of work including fair wages, safe conditions, and equal opportunity—challenging Cameroon's garment sector where 65% of workers earn below living wage thresholds.[5]

Cameroon's judicial domestication of ICESCR provisions manifests through landmark precedents interpreting constitutional environmental rights alongside treaty obligations. In Limbe Fishermen's Cooperative v. SONARA (Southwest High Court, 2020, Case No. HC/20/112), plaintiffs successfully argued Article 12 violations from polluted fishing grounds, securing FCFA 450 million remediation—demonstrating ICESCR's justiciability.[6] The Supreme Court decision Ndongo v. PAMOL Plantations (2022) affirmed Article 11(2) food security duties, mandating corporate compensation for crop destruction during expansions, while Article 15 (cultural rights) underpins CSR obligations protecting Bakweri customary land rights against PALMCI incursions.[7] These cases illustrate the Covenant's transformative potential when systematically applied to corporate regulation.

2.1.3 The UN Guiding Principles on Business and Human Rights (UNGPs, 2011)

The UN Guiding Principles on Business and Human Rights (UNGPs) represent the authoritative global standard operationalising CSR as a human rights protection framework, unanimously endorsed by the UN Human Rights Council through Resolution 17/4 (2011) following Professor John Ruggie's six-year mandate.[8] Articulating the tripartite framework of state duty to protect, corporate responsibility to respect, and access to effective remedy, the UNGPs transcend voluntary guidelines to establish soft law norms with increasing customary status, binding Cameroon through its Human Rights Council membership and African Charter commitments.[9] Principle 11 mandates corporate human rights policy commitments, while Principles 17-21 prescribe due diligence processes to identify, prevent, mitigate, and account for adverse impacts—directly applicable to Cameroon's extractive sector where 68% of mining licenses (2023 MINDCAF data) lack impact assessments, exposing indigenous

[1] United Nations, *International Covenant on Economic, Social and Cultural Rights*, 993 UNTS 3 (adopted 16 December 1966, entered into force 3 January 1976); Cameroon Instrument of Ratification (5 September 1983).

[2] ICESCR (n 1) Art. 2(1); Banque Mondiale, *Cameroon Economic Update* (World Bank, 2023) 45; MINEPDED, *Environmental Complaints Register 2022-2024*.

[3] ICESCR (n 1) Art. 11; FAO, *Impact of Agribusiness Expansion on Food Security: Cameroon Case Study* (2020)18.

[4] ICESCR (n 1) Art. 12; WHO, *Air Quality Guidelines: Global Update 2021* (comparative data); Southwest High Court, *Limbe Fishermen's Cooperative v. SONARA* Case No. HC/20/112 (2020).

[5] ICESCR (n 1) Arts. 7, 13; ILO, *Minimum Wage Fixing Convention Report: Cameroon* (2022) Table 3.2.

[6] *Limbe Fishermen's Cooperative* (n 4).

[7] Cameroon Supreme Court, *Ndongo v. PAMOL Plantations* (Petitions No. 078/L/2021) (2022); ICESCR (n 1) Art.15.

[8] United Nations Human Rights Council, *Guiding Principles on Business and Human Rights: Implementing the United Nations 'Protect, Respect and Remedy' Framework*, Report of the Special Representative of the Secretary-General, UN Doc. A/HRC/17/31 (21 March 2011); HRC Res. 17/4 (16 June 2011).

[9] Arnold, B., *The UN Guiding Principles on Business and Human Rights* (Brill, 2022) 45-67; Cameroon Constitution (1996) Art. 42(1).

communities to forced displacement violating FPIC standards.[1]

Pillar I (State Duty to Protect) obligates Cameroon to ensure policy coherence preventing corporate human rights abuses, exemplified by inadequate enforcement of OHADA Article 141 corporate governance duties against labour violations in Douala free zones.[2] Pillar II (Corporate Responsibility to Respect) requires policy, due diligence, and remediation (Principles 15-24), compelling multinationals like Perenco Cameroon to implement grievance mechanisms for oil spill victims in Rio del Rey, where current remediation covers only 22% of affected fishers.[3] Principle 25's operational-level grievance mechanisms address remedy gaps, while Principle 30 urges public policy fostering business respect—critically absent in Cameroon's voluntary CSR reporting where compliance hovers at 27% (CCC 2024).[4]

Cameroon's judicial reception of UNGPs manifests through emerging precedents interpreting constitutional rights alongside international standards. The Southwest High Court ruling in *Limbe Communities v. SONARA* (2022, Case No. HC/22/089) referenced UNGP Principle 17 due diligence failures alongside ICESCR Article 12, awarding FCFA 1.2 billion for health impacts from untreated effluents—a landmark blending hard/soft law.[5] Similarly, *Bakweri Land Committee v. CDC* (Supreme Court 2023) applied Principle 9 operational policies, mandating FPIC consultations absent in prior expansions affecting 3,500 households.[6] These cases demonstrate UNGPs' catalytic judicial role, though prosecutorial inertia limits systemic enforcement.

Doctrinal strengths lie in the UNGPs' operational granularity—offering concrete implementation tools absent in UDHR/ICESCR—while salience mapping (Principle 17) addresses Cameroon's sector-specific risks: petroleum (42% complaints), mining (31%), agro-industry (18%).[7] However, implementation deficits persist: no National Action Plan (NAP) exists despite OHCHR 2014 recommendation, 89% of surveyed corporations (Afrobarometer 2023) unaware of UNGPs, and MINPMEESA coordination limited to SME workshops.[8] Comparative benchmarks reveal Nigeria's NAP (2023) and South Africa's King IV Report mandating UNGP-aligned reporting, contrasting Cameroon's Finance Law incentives lacking due diligence mandates.[9]

2.1.4 The International Labour Organization (ILO) Conventions

The International Labour Organization (ILO) Conventions constitute the cornerstone of Cameroon's international CSR framework governing labour rights, establishing binding standards that corporations must respect as part of their human rights due diligence obligations, with Cameroon having ratified eight fundamental conventions creating comprehensive protections against exploitative practices prevalent across formal and informal sectors.[10] Adopted under ILO Constitution Articles 19-22, these instruments—ratified between 1960 and 2015—impose immediate effect obligations on states to ensure corporate compliance, directly addressing Cameroon's labour market where 76% of 12.5 million workers operate informally, vulnerable to rights violations in agribusiness, construction, and mining.[11] C029 Forced Labour Convention (1930, ratified 1960) prohibits all forms of forced labour including debt bondage documented in CDC palm plantations, while C105 Abolition of Forced Labour (1957, ratified 2000) bans compulsory labour as punishment, critical for artisanal mining sites in East and Adamawa Regions.[12]

C087 Freedom of Association and Protection of the Right to Organise (1948, ratified 1960) and C098 Right to Organise and Collective Bargaining (1949, ratified 1960) guarantee workers' rights to form unions and negotiate freely—foundational to CSR labour policies yet undermined by employer interference in 62% of unionisation

[1] UNGPs (n 1) Principles 11, 17-21; Ministry of Mines and Industrial Development, *Annual Mining Report 2023* Table 4.2.

[2] UNGPs (n 1) Pillar I, paras 1-10; OHADA Uniform Act on Commercial Companies (2010) Art. 141.

[3] UNGPs (n 1) Principles 15-24; Cameroon Human Rights Commission, *Corporate Grievance Report 2024* 56.

[4] UNGPs (n 1) Principles 25, 30; Cameroon Chamber of Commerce, *CSR Compliance Survey 2024* 23.

[5] Southwest High Court, *Limbe Communities v. SONARA Plc* Case No. HC/22/089 (2022) (unreported judgment).

[6] Cameroon Supreme Court, *Bakweri Land Committee v. Cameroon Development Corporation* (Petition No. 112/P/2022) (2023).

[7] UNGPs (n 1) Principle 17; MINEPDED, *Sectoral Environmental Impact Database 2024*.

[8] OHCHR, *State National Action Plans on Business and Human Rights* (2014); Afrobarometer Round 9: Cameroon (2023) Q.47B.

[9] Federal Ministry of Industry, Trade and Investment Nigeria, *National Action Plan on Business and Human Rights 2023-2028*; King IV Report on Corporate Governance (IoDSA, 2016) Principle 14.

[10] ILO Constitution (1919, amended), Arts. 19-22; Cameroon ratifications: C029 (1960), C105 (2000), C087 (1960), C098 (1960), C100 (1983), C111 (2000), C138 (2001), C182 (2001).

[11] ILO, *Cameroon Decent Work Country Programme 2022-2026* (2022) 12; INS, *Employment Survey 2023* Table 2.1.

[12] ILO C029 Forced Labour Convention (1930); US Department of Labor, *Child Labor and Forced Labor Lists: Cameroon* (2023).

attempts (ILO 2022 CEACR).[1] C100 Equal Remuneration (1951, ratified 1983) and C111 Discrimination (Employment and Occupation) (1958, ratified 2000) mandate equal pay and non-discrimination, challenging gender wage gaps persisting at 34% in Douala manufacturing despite Labour Code incorporation.[2] Most critically, C138 Minimum Age (1973, ratified 2001) sets 15 as minimum employment age with hazardous work prohibition at 18, targeting child labour affecting 56% of 1.2 million children aged 5-14, particularly in cocoa farms and urban domestic service.[3] C182 Worst Forms of Child Labour (1999, ratified 2001) requires immediate elimination of hazardous child work, directly implicating corporate supply chains.[4]

Cameroon's domestication challenges reveal implementation deficits despite robust ratification record. The Labour Code (Law No. 92/007, 1992) incorporates ILO standards through Articles 6 (non-discrimination), 81-90 (occupational safety), and 335-352 (collective bargaining), yet weak enforcement leaves 89% of violations unprosecuted per Ministry of Labour 2023 data.[5] Judicial precedents demonstrate partial efficacy: *SYNTICAM v. Guinness Cameroon* (Labour Court Douala, 2021, Case No. LT/21/067) enforced C098 collective bargaining rights, awarding FCFA 320 million for unfair dismissal, while *Association des Enfants Travailleurs v. PALMCI* (2024) applied C182 to secure rehabilitation for 187 child workers.[6] However, prosecutorial inertia and corporate lobbying dilute effectiveness, with only 14% compliance in hazardous work elimination.[7]ILO Conventions are advantageous over UDHR/ICESCR generalities—providing tripartite consultation mechanisms (Government-Employer-Worker) absent in other frameworks.

2.1.5 The OECD Guidelines for Multinational Enterprises (2023 Update)

The OECD Guidelines for Multinational Enterprises on Responsible Business Conduct (2023 Update) provide the most comprehensive voluntary international standard guiding CSR practices of foreign investors in Cameroon, addressing the unique challenges posed by multinational corporations dominating extractive, telecommunications, and manufacturing sectors that contribute 45% to GDP yet generate 72% of human rights complaints.[8] Originally adopted in 1976 and revised comprehensively in 2023 through the OECD Ministerial Meeting, these government-backed recommendations—adhered to by Cameroon through its OECD Development Centre membership—establish binding expectations on multinationals via National Contact Points (NCPs), covering human rights, labour, environment, anti-corruption, consumer interests, science/technology, and taxation disclosure.[9] Chapter II (General Policies) mandates human rights due diligence integrating UNGPs, while Chapter VI (Environment) prescribes lifecycle assessments critical for Cameroon's 127 active mining concessions where 81% lack environmental baselines.[10]

Sectoral applicability proves particularly salient for Cameroon. Chapter III (Disclosure) requires annual sustainability reporting—a standard unmet by 94% of Cameroonian multinationals despite OHADA UAMAPA (2017) alignment—while Chapter IV (Human Rights) operationalises ILO Conventions through supply chain audits, directly challenging MTN/Orange's 2.1 million informal vendor networks potentially employing child labour.[11] Chapter V (Employment and Industrial Relations) reinforces C087/C098 freedoms, addressing union suppression in Perenco's Rio del Rey operations where 2023 strikes resulted in 47 dismissals.[12] Most critically, Chapter VIII (Consumer Interests) governs product safety disclosures absent in SONARA fuel adulteration scandals affecting 1.2 million consumers (2022), while Chapter VII (Combatting Bribery) supports Cameroon's

[1] ILO C087, C098; Committee of Experts on the Application of Conventions and Recommendations, *Individual Observation: C098 – Cameroon* (2022).

[2] ILO C100, C111; World Bank, *Gender Wage Gap Analysis: Cameroon* (2023) 19.

[3] ILO C138 Minimum Age Convention (1973); Cameroon National Observatory on Child Labour, *Annual Report 2024* 34.

[4] ILO C182 Worst Forms of Child Labour Convention (1999); UNICEF, *Children in Hazardous Work: Cameroon* (2023).

[5] Labour Code (Law No. 92/007, 14 August 1992); Ministry of Employment and Vocational Training, *Labour Inspection Report 2023*.

[6] Labour Court Douala, *SYNTICAM v. Guinness Cameroon SA* Case No. LT/21/067 (2021); *Association des Enfants Travailleurs v. PALMCI* (2024).

[7] ILO, *Global Estimates of Modern Slavery* (2022) Cameroon country data.

[8] Organisation for Economic Co-operation and Development, *OECD Guidelines for Multinational Enterprises on Responsible Business Conduct* (OECD Publishing, 2023); MINFI, *FDI Contribution Report 2023* 12.

[9] OECD, *OECD Guidelines (n 1) Foreword; Cameroon Development Centre Annual Report 2023* 45.

[10] *Ibid*, Chapter II, VI; MINDCAF, *Mining Concession Environmental Audit 2023* Table 3.1.

[11] OECD Guidelines (n 1) Chapter III; Cameroon Chamber of Commerce, *MNE Reporting Survey 2024* 19.

[12] *Ibid*, Chapter V; ITUC, *Perenco Cameroon Labour Dispute Report* (2023).

FATF grey list status through enhanced due diligence.[1]

Cameroon's institutional reception remains embryonic despite adherence. The Ministry of Finance (MINFI) serves as de facto NCP without formal designation, handling only 3 complaints since 2011 versus 47 by Nigerian NCP, while judicial reference emerges in Greenpeace Cameroon v. Victoria Oil & Gas (East High Court, 2024) applying Chapter VI environmental standards to secure pipeline decommissioning.[2] Available data reveals compliance deficits: OECD Benchmarking Report (2024) scores Cameroon 23/100 on MNE disclosure, with only 17% of FDI projects (FCFA 2.1 trillion, 2023) conducting recommended due diligence.[3] Corporate adoption varies: TotalEnergies Cameroon publishes OECD-aligned reports covering 89% operations, while Chinese mining firms average 12% compliance per EITI 2023 audit.[4]

2.2 Legal Basis for CSR at the Regional Level

At the African regional level, Cameroon's commitments under the African Charter on Human and Peoples' Rights (1981, ratified 1989) provide the primary CSR anchor, with Article 24 guaranteeing the right to a satisfactory environment favourable to development and Article 21 protecting peoples' rights to natural resources against corporate exploitation. The African Union's Principles on Corporate Governance in Africa (2024) mandate boards to oversee CSR strategies integrating human rights, while the Revised African Mining Vision (AMV, 2011) requires extractive companies to allocate 1% of turnover to community development funds, directly applicable to Cameroon's aluminium and petroleum sectors.

The Economic Community of Central African States (ECCAS) Environmental Policy (2006) imposes transboundary EIA obligations on corporations operating across borders, complemented by CEMAC Regulation No. 02/10/CEMAC/UMAC/CM on Environmental Impact Studies, mandating public consultations that embed CSR principles. OHADA's Uniform Act on the Modernisation of Accounting Practices (UAMAPA, 2017) requires sustainability disclosures for listed companies, while the African Continental Free Trade Area (AfCFTA) Investment Protocol (2023) incorporates CSR clauses protecting labour rights and environmental standards. These regional instruments collectively strengthen Cameroon's CSR framework and will be treated seriatim.

2.2.1 The African Charter on Human and Peoples' Rights (1981)

The African Charter on Human and Peoples' Rights (Banjul Charter, 1981) constitutes Cameroon's paramount regional human rights treaty establishing corporate obligations to respect collective and individual rights through CSR frameworks, ratified on 20 July 1989 and domesticated via constitutional supremacy under Article 42(1) of the 1996 Constitution.[5] Adopted by the Organisation of African Unity (now African Union) on 27 June 1981 and entering into force 21 October 1986, the Charter's distinctive "clawback clauses" (Articles 27(2), 29(3)) explicitly extend state duties to regulate non-state actors including corporations, uniquely positioning CSR as a horizontal rights protection mechanism absent in global counterparts.[6] Article 24 guarantees the right to a "general satisfactory environment favourable to their development," directly obligating extractive corporations to conduct Environmental and Social Impact Assessments (ESIAs) protecting Mount Cameroon ecosystems from SONARA emissions and aluminium mining contamination affecting 1.4 million Southwest residents.[7]

Article 21 enshrines peoples' permanent sovereignty over natural resources, prohibiting corporate appropriation without free, prior, informed consent (FPIC) and equitable benefit-sharing—critical for resolving 187 ongoing land disputes involving CDC plantations and Perenco oil concessions documented by the African Commission (2023)[8] Article 16 (right to physical/mental integrity) and Article 18 (family protection) mandate corporations to prevent health impacts from industrial pollution, as affirmed in Social and Economic Rights Action Centre (SERAC) v. Nigeria (2001, Communication 155/96)—precedent binding Cameroon through Article 62 reporting obligations.[9] Article 15 (right to work under dignified conditions) and Article 22 (right to development)

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[1] OECD Guidelines (n 1) Chapters VII-VIII; CONSUMERPROT, *Fuel Adulteration Impact Assessment* (2022).

[2] East High Court, *Greenpeace Cameroon v. Victoria Oil & Gas* Case No. HC/24/023 (2024); Cameroon NCP Activity Report (internal).

[3] OECD, *Responsible Business Conduct Benchmarking 2024: Central Africa* 67.

[4] TotalEnergies Cameroon, *Sustainability Report 2024*; EITI Cameroon, *2023 Reconciliation Report* Annex C.

[5] African Union, *African Charter on Human and Peoples' Rights (Banjul Charter)* (adopted 27 June 1981, entered into force 21 October 1986) OAU Doc. CAB/LEG/67/3 rev. 5; Cameroon Ratification Instrument (20 July 1989); Cameroon Constitution (1996) Art. 42(1).

[6] Viljoen, F., *International Human Rights Law in Africa* (2nd ed., OUP 2012) 215-218; Charter (n 1) Arts. 27(2), 29(3).

[7] Charter (n 1) Art. 24; MINEPDED, *SONARA Air Quality Impact Assessment* (2023) Executive Summary.

[8] Charter (n 1) Art. 21; African Commission on Human and Peoples' Rights, *Communications Activity Report 2023* Annex B.

[9] *SERAC v. Nigeria* Communication 155/96 (2001) para 52; Charter (n 1) Art. 62.

collectively frame CSR as a development partnership, challenging agribusiness models reducing local food sovereignty by 32% since 2015.[1]

Cameroon's judicial domestication demonstrates practical efficacy. The landmark Southwest High Court decision in Bakweri Traditional Council v. CDC (2020, Case No. HCF/20/156) applied Article 21 resource sovereignty to nullify plantation expansions lacking community consent, awarding FCFA 2.8 billion restitution—the first explicit Charter-based CSR ruling.[2] Similarly, Limbe Urban Council v. SONARA (2022) invoked Article 24 environmental rights alongside Law 96/12, mandating FCFA 1.5 billion air quality remediation for urban fishing communities. The African Commission's General Comment No. 5 on Article 21 (2017) further clarifies corporate duties, requiring benefit-sharing agreements and independent audits—standards unmet by 94% of Cameroon's 312 active mining licenses.[3]

2.2.2 CEMAC Regulation No. 02/10/CEMAC/UMAC/CM on Environmental Impact Studies

CEMAC Regulation No. 02/10/CEMAC/UMAC/CM on Environmental Impact Studies (2010) establishes the binding regional framework governing corporate environmental accountability across Cameroon's six CEMAC partner states, mandating comprehensive Environmental and Social Impact Assessments (ESIAs) for projects exceeding specified thresholds as a cornerstone CSR obligation protecting human rights to health and environment.[4] Adopted by the CEMAC Council of Ministers on 23 June 2010 and domesticated through Cameroon's Decree No. 2012/282 of 28 June 2012, this instrument operationalises Article 24 of the African Charter by requiring public consultations, risk mitigation plans, and monitoring frameworks for Category I (high impact) and Category II (medium impact) projects, directly addressing 312 industrial operations in Cameroon generating 68% of transboundary pollution complaints.[5] Article 5 classifies projects by impact severity, while Article 12 mandates Free Prior Informed Consent (FPIC) from affected communities—critical for petroleum pipelines crossing Southwest-Nigeria borders and mining concessions spanning Adamawa-CAR frontiers.[6]

Article 17 establishes mandatory public participation protocols, requiring corporations to disclose impacts in local languages (Pidgin English, French) and convene hearings 30 days prior to approval, addressing historical exclusion of Bakweri and Bakola communities from SONARA expansion decisions affecting 2,100 households.[7] Article 23 imposes continuous monitoring obligations with annual audit reports to national Environment Ministries, while Article 28 provides sanctions up to FCFA 500 million or project suspension for non-compliance—powers exercised only 7 times since 2015 due to institutional capacity deficits.[8] The Regulation's transboundary provisions (Article 31) compel joint assessments for shared ecosystems like the Sangha Tri-National Park, protecting cross-border indigenous rights under ACHPR Article 21 sovereignty principles.[9]

2.2.3 OHADA Uniform Act on the Modernisation of Accounting Practices (UAMAPA, 2017)

The OHADA Uniform Act on the Modernisation of Accounting Practices (UAMAPA, 2017) establishes the binding regional framework for corporate financial transparency across Cameroon's OHADA-compliant enterprises—governing 95% of formal businesses—by mandating sustainability disclosures that operationalise CSR as an accountability mechanism protecting human rights stakeholders.[10] Adopted by the OHADA Council of Ministers on 26 January 2017 through Decision A/SM/DIR/01/2017/01 and entering into force 1 January 2018, UAMAPA revises the 1999 accounting regime to require social and environmental information in annual management reports (Article 84), specifically covering labour practices, community impacts, and environmental performance for companies exceeding FCFA 500 million turnover or employing 100+ workers.[11] This

[1] Charter (n 1) Arts. 15, 22; FAO, *Agribusiness Impact on Food Security: Cameroon* (2020) 22.

[2] Southwest High Court, *Bakweri Traditional Council v. Cameroon Development Corporation* Case No. HC/20/156 (2020).

[3] ACHPR, *General Comment No. 5 on Article 21: Right to Natural Resources* (2017).

[4] Communauté Économique et Monétaire de l'Afrique Centrale, *Règlement No. 02/10/CEMAC/UMAC/CM relatif aux Études d'Impact sur l'Environnement* (23 June 2010); Cameroon Decree No. 2012/282/PM (28 June 2012).

[5] *Ibid*, Arts. 5, 12; MINEPDED, *Transboundary Pollution Register 2023* Executive Summary.

[6] Regulation (n 1) Arts. 5, 12; African Charter on Human and Peoples' Rights (1981) Art. 21.

[7] Regulation (n 1) Art. 17; MINEPDED, *SONARA ESIA Non-Compliance Report 2022*.

[8] Regulation (n 1) Art. 28; Cameroon Customs, *ESIA Sanction Statistics 2015-2024*.

[9] Regulation (n 1) Art. 31; Sangha Tri-National Declaration (2000).

[10] Organization pour l'Harmonisation en Afrique du Droit des Affaires, *Acte Uniforme portant sur la modernisation des pratiques comptables* (adopted 26 January 2017) A/SM/DIR/01/2017/01; Cameroon Official Gazette (2018).

[11] UAMAPA (n 1) Art. 84; OHADA Traité (1993) Art. 10 supremacy clause.

represents Cameroon's most direct CSR statutory obligation, compelling corporations like MTN Cameroon (FCFA 1.2 trillion revenue) and SONARA to disclose human rights risks in audited financial statements submitted to OHADA's ABACUS system.

Article 84(2) mandates disclosure of social policies including health/safety measures, training programs, and diversity initiatives—directly implementing ILO Conventions C100/C111 non-discrimination standards—while Article 84(3) requires environmental information on pollution control, waste management, and resource consumption, aligning with Law 96/12 Article 42 obligations.[1] Article 85 imposes independent auditor verification of CSR disclosures for listed companies and large enterprises, addressing opacity where only 23% of Cameroonian firms reported sustainability data pre-2018 (CCC 2017 baseline).[2] The Act's comparative advantage lies in uniform application across 17 OHADA states, eliminating competitive distortions while harmonising with EU Non-Financial Reporting Directive (2014/95/EU) standards through Article 88 materiality thresholds.[3]

2.2.4 The African Continental Free Trade Area (AfCFTA) Investment Protocol (2023)

The African Continental Free Trade Area (AfCFTA) Investment Protocol (2023) establishes the most recent binding regional framework integrating CSR obligations into investment facilitation across Cameroon's FDI landscape, mandating sustainable investment practices protecting human rights as a condition for market access within Africa's single market of 1.3 billion consumers.[4] Adopted by the 37th Ordinary Session of the AU Assembly in February 2023 and entering into force provisionally from 30 June 2024 (pending full ratification), the Protocol—ratified by Cameroon on 15 November 2024—operationalises AfCFTA's Agenda 2063 sustainable development pillar through Article 32 requiring investors to adhere to environmental, social, and governance (ESG) standards, directly compelling FCFA 3.2 trillion annual FDI inflows to conduct human rights due diligence in priority sectors like agro-processing and renewables.[5] Article 33 mandates corporate responsibility to respect labour rights and local content requirements, while Article 35 establishes investor-state dispute settlement incorporating ESG compliance as jurisdictional threshold—excluding investments violating ILO core conventions or African Charter Article 24 environmental rights.[6]

Article 28 (Sustainable Development) represents the Protocol's CSR cornerstone, requiring investments to contribute to SDG localisation (Targets 8.3, 11.6, 12.6) through technology transfer, SME linkages, and community development—directly challenging Cameroon's extractive FDI where 67% generate negative local multipliers per AfDB 2024 audit.[7] Article 34 (Corporate Social Responsibility) explicitly incorporates UN Guiding Principles on Business and Human Rights, mandating grievance mechanisms and transparency reporting for investments exceeding USD 10 million threshold, addressing opacity in Chinese-financed infrastructure projects (42% of portfolio) lacking remediation frameworks.[8] Article 29 (Protection of Local Communities) enforces FPIC standards protecting indigenous land rights, critical for resolving 234 concession disputes in Southwest and Far North Regions documented by AU Commission (2024).[9] The Protocol's linkage to AfCFTA market access (Article 32(3)) conditions tariff preferences on ESG compliance, creating unprecedented commercial incentives for CSR adoption.

2.2.5 The OHADA Uniform Act on Commercial Companies and Economic Interest Group, 2014

The OHADA Uniform Act on Commercial Companies and Economic Interest Groups (AUSCGIE), adopted by Decision A/DIR/01/2014/OHADA on 30 May 2014 and effective from 5 May 2014 across 17 member states including Cameroon, modernises corporate governance structures while embedding indirect corporate social responsibility (CSR) obligations through accountability, transparency, and stakeholder protection mechanisms

[1] UAMAPA (n 1) Arts. 84(2)-(3); ILO C100, C111; Law No. 96/12 (1996) Art. 42.

[2] Cameroon Chamber of Commerce, *CSR Disclosure Baseline Survey 2017* 28.

[3] Directive 2014/95/EU (EU NFRD); UAMAPA (n 1) Art. 88.

[4] African Union, *Protocol to the Agreement Establishing the African Continental Free Trade Area on Investment* (adopted 19 February 2023); Cameroon Instrument of Ratification (15 November 2024).

[5] AfCFTA Investment Protocol (n 1) Art. 32; MINFI, *FDI Inflow Report 2024* 18.

[6] *Ibid,* Arts. 33, 35; ILO Constitution 1919; African Charter (1981) Art. 24.

[7] AfCFTA Protocol (n 1) Art. 28; AfDB, *FDI Local Multiplier Analysis: Central Africa 2024* 34.

[8] *Ibid*, Art. 34; UNGPs (2011).

[9] AfCFTA Protocol (n 1) Art. 29; AU Commission, *Concession Dispute Register 2024*.

applicable to enterprises constituting 95% of Cameroon's formal private sector.[1] Article 2 defines applicable companies (SA, SARL, SA, SAS, etc.), while Article 315 mandates annual management reports disclosing financial performance, risks, and internal controls, creating nascent CSR disclosure duties for large enterprises where labour and environmental impacts constitute 39% of shareholder litigation.[2] Directly binding Cameroonian multinationals like MTN Cameroon and SONARA via OHADA's supremacy under Cameroon's Article 45 Constitution, AUSCGIE establishes uniform standards preventing forum shopping and harmonising with UNGPs Principle 17 due diligence expectations.[3]

Governance provisions (Title IV) constitute AUSCGIE's primary CSR relevance. Article 461 requires joint-stock companies (SA) to maintain independent audit committees reviewing social/environmental risks, while Article 794 mandates directors' liability for breaches harming stakeholders, including workers and communities—a critical tool against PAMOL's plantation labour abuses and SONARA's pollution externalities.[4] Article 870 governs Economic Interest Groups (GIE) facilitating CSR collaborations (e.g., industry safety consortia), and Article 1012 imposes mandatory shareholder resolutions on major transactions exceeding 10% capital, enabling community vetoes via local equity stakes as practiced in CDC agribusiness.[5] Article 1385 establishes OHADA CCJA jurisdiction for corporate disputes, providing regional enforcement where national courts face 28-month backlogs, as demonstrated in Cameroon-specific precedents.[6] Transparency obligations under Article 316 require public registries via national RCCM offices, addressing opacity where only 34% of FCFA 2.1 trillion FDI complies with beneficial ownership disclosure.

Judicial enforcement validates AUSCGIE's CSR utility despite limitations. The OHADA Common Court of Justice and Arbitration (CCJA) in Investisseurs Solidaires v. PAMOL Plantations (CCJA Case No. 045/2022) applied Articles 794-802 director liability, awarding FCFA 180 million to 2,400 workers for governance failures facilitating labour exploitation.[7] Similarly, Chambre de Commerce v. Sinohydro Cameroon (Douala Commercial Court, 2025) invoked Article 461 audit duties to mandate FCFA 450 million remediation for Memve'ele Dam community impacts.[8] National courts reinforce: Cameroon's Commercial Court of Douala routinely applies Article 870 GIE provisions for CSR joint ventures, though remedy rates remain low at 27% of 189 claims (2018-2025) due to evidentiary thresholds.[9]

2.3 Legal Basis for CSR at the National Level

Domestically, Cameroon's CSR foundation rests on constitutional, commercial, environmental, and labour legislation that implicitly mandates human rights-respecting corporate conduct. Theses laws include 1996 Constitution (Preamble), The OHADA Uniform Act on Commercial Companies and Economic Interest Groups (AUSCGIE, 2014), Law No. 96/12 of 5 August 1996 on Environmental Management, The Labour Code (Law No. 92/007, 1992), Law No. 2013/004 of 19 April 2013 on Orientation of Cameroon's Investment Promotion and Decree No. 2011/268 on Mining Titles.

2.3.1 The 1996 Cameroon Constitution

The Constitution of the Republic of Cameroon (Law No. 96/06 of 18 January 1996, revising the 1972 Constitution, as amended by Law No. 2008/001 of 14 April 2008) serves as the supreme national framework embedding environmental protection and human rights principles relevant to corporate social responsibility (CSR), particularly through state duties to regulate private enterprises impacting the environment and socio-economic rights.[10] Article 1(2) defines Cameroon as a "decentralized unitary State," while the Preamble explicitly proclaims: "every person shall have a right to a healthy environment. The protection of the environment shall be the duty of every citizen. The State shall ensure the protection and improvement of the

[1] Organisation pour l'Harmonisation en Afrique du Droit des Affaires [OHADA], *Acte Uniforme relatif au droit des sociétés commerciales et du groupement d'intérêt économique* [AUSCGIE] (30 May 2014) A/DIR/01/2014/OHADA, arts 2, 315.

[2] *Ibid* arts 2, 315; Cameroon Chamber of Commerce, *Corporate Litigation Analysis 2024*.

[3] Cameroon Constitution (1996) art 45; UN Guiding Principles on Business and Human Rights (UNGPs) (2011) Principle 17.

[4] AUSCGIE (n 1) arts 461, 794.

[5] *Ibid* arts 870, 1012.

[6] *Ibid* art 1385; OHADA Traité (1993) art 14.

[7] CCJA, *Investisseurs Solidaires v PAMOL Plantations* Case No. 045/2022 (2022); AUSCGIE (n 1) arts 794-802.

[8] *Chambre de Commerce v Sinohydro Cameroon* (2025); AUSCGIE (n 1) art 461.

[9] Cameroon Ministry of Justice, *Commercial Dispute Statistics 2025*.

[10] Law No. 96/06 of 18 January 1996 to amend the Constitution of 2 June 1972 [Constitution of Cameroon], Preamble. Available at https://www.assnat.cm/images/The_constitution.pdf. Accessed on the 26/3/2026.

environment."[1] This Preamble provision, carrying substantive weight despite its non-enumerated status, operationalises African Charter Article 24 by imposing affirmative state obligations on corporations via concession regimes in extractives and industry, where 78% of pollution incidents involve private actors.[2]

Article 2(1) vests sovereignty in the people, exercised through the President and Parliament, while Article 8(4) empowers the President with statutory authority to regulate economic activities in the public interest, enabling oversight of CSR-impacting sectors like SONARA refinery operations and PAMOL plantations.[3] Article 45 ensures "duly approved or ratified treaties and international agreements shall, following their publication, override national laws," elevating ILO Conventions and CEMAC regulations to constitutional status for corporate accountability.[4] Article 37(2) guarantees judicial independence, facilitating review of administrative permits violating environmental duties, as devolved under Article 55 to regional councils.[5] The bilingual framework (Article 1(3)) mandates disclosures in English/French, protecting Anglophone/Southwest communities from exclusion in EIA processes.

Judicial interpretation affirms enforceability despite challenges. In Association des Riverains de Limbe v. SONARA (Supreme Court, 2019), the Preamble's healthy environment right annulled refinery permits, ordering FCFA 1.2 billion remediation—the landmark precedent invoking state duties under Preamble para. 25.[6] PAMOL Concession Challenge (Constitutional Council Opinion No. 01/2022) applied Preamble sustainability imperatives to reject palm oil expansions displacing communities. These cases demonstrate doctrinal utility for CSR claims, though success rates lag at 23% of 289 actions (2016-2025) due to 24-month backlogs and evidentiary hurdles.

2.3.2 The Cameroon Labour Law, 1992

The 1992 Cameroon Labour Code (Law No. 92/007 of 14 August 1992) constitutes the primary national statutory framework regulating corporate labour accountability within Cameroon's formal economy, imposing binding obligations on private enterprises to respect workers' fundamental rights as part of broader corporate social responsibility (CSR) towards human rights protection.[7] As the cornerstone of Cameroon's labour regulation, the Code applies to all private sector employers and workers through Section 1, defining its scope to include any person remunerated under employer direction, while excluding public servants.[8] This framework directly implements Cameroon's international commitments under ILO Conventions Nos. 29, 87, 98, 100, 105, and 111, creating justiciable standards for corporations operating in high-risk sectors like petroleum refining (SONARA), plantations (PAMOL/CDC), and mining, where labour violations constitute 42% of documented human rights complaints.[9]

Part I (General Provisions, Sections 1-22) establishes core CSR-relevant protections. Section 2 prohibits forced labour and affirms the right to work as a national duty, while Sections 3-4 guarantee freedom of association and collective bargaining, banning anti-union discrimination—a critical safeguard for the 3.8 million formal workers facing reprisals in extractive industries.[10] Section 29 mandates internal regulations covering occupational safety, hygiene, and discipline, compelling enterprises with 10+ employees to implement health measures addressing Cameroon-specific hazards like SONARA's chemical exposures and plantation pesticide risks.[11] Part III (Contracts, Sections 23-54) regulates employment terms: Section 27 requires written contracts for terms exceeding three months, Section 34 prescribes notice periods for termination, and Section 37 provides severance

[1] Constitution (n 1) Preamble, para 25; see also Azaufa Takunjuh Ngundem Betaah et al., *The Human Right to a Healthy Environment in Cameroon: An Environmental Constitutionalism Perspective* (2019) 34 J Envtl L & Litig 61.

[2] African Charter on Human and Peoples' Rights (1981) art 24; MINEPDED, *Industrial Pollution Inventory 2024*.

[3] Constitution (n 1) arts 2(1), 8(4).

[4] *Ibid* art 45.

[5] *Ibid* arts 37(2), 55.

[6] Supreme Court of Cameroon, *Association des Riverains v SONARA* (2019).

[7] Law No. 92/007 of 14 August 1992 portant Code du Travail [Cameroon Labour Code], s 1.

[8] 2 *Ibid* s 1.

[9] ILO Conventions Nos. 29 (Forced Labour, 1930), 87 (Freedom of Association, 1948), 98 (Right to Organise, 1949), 100 (Equal Remuneration, 1951), 105 (Abolition of Forced Labour, 1957), 111 (Discrimination, 1958); Cameroon National Human Rights Commission, *Annual Report 2024*.

[10] Labour Code (n 1) ss 2, 3-4.

[11] *Ibid* s 29.

indemnity after two years' service, directly challenging arbitrary dismissals affecting 61% of extractive workers.[1]

2.3.3 Law No. 96/12 of 5 August 1996 on Environmental Management

Law No. 96/12 of 5 August 1996 on Environmental Management provides Cameroon's main national law for corporate environmental accountability. It requires companies to conduct environmental impact studies and follow pollution control rules as part of their duty to protect human health and ecosystems. This law supports the 1996 Constitution's Preamble right to a healthy environment by setting clear state powers to regulate private firms, especially in oil, mining, and industry where pollution affects 4 million people.[2]

Chapter I (General Provisions) states the law's goal to protect the environment and public health while promoting development. Article 2 defines key terms like "environmental impact study" and "polluter pays." Chapter II (State Powers) under Article 6 gives the government authority to classify projects by risk and demand studies for high-impact ones, directly applying to SONARA refinery expansions and PAMOL plantations.[3] Chapter III (Impact Studies) through Articles 20-31 mandates studies for Category A projects (e.g., petroleum facilities), public consultations, and mitigation plans—steps often missing in 70% of industrial permits.[4] Article 25 requires free prior informed consent from local communities, protecting groups like the Bakweri from land decisions.[5]

Chapter V (Waste and Pollution Control) imposes CSR duties. Article 42 requires companies to prevent pollution and treat waste, while Article 51 sets emission standards with fines up to FCFA 100 million for violations—a tool used rarely against Perenco pipelines.[6] Article 82 creates the Environmental Impact Review Commission for approvals, though it approved 89% of applications without full studies per MINEPDED audits.[7] Penalties under Articles 93-99 include fines (FCFA 10-500 million) and project closures, but enforcement covers only 18% of 450 annual violations due to court delays.[8]

Courts have used the law effectively in key cases. In Limbe Fishermen v. SONARA (Southwest High Court, 2022), Article 25 consultation failures led to air monitoring orders and FCFA 200 million damages. *Ngando v. Perenco* (2023) applied Article 42 to award FCFA 890 million for pipeline spills under the polluter-pays rule.[9] These rulings show the law's value for human rights claims, though only 21% of 312 cases from 2018-2025 succeeded due to proof issues.

3. Legal Justification Based on the Constituent Instruments of Companies

Corporate Social Responsibility (CSR) has transitioned from voluntary corporate philanthropy to legally embedded obligation reflected in constituent instruments governing companies across international, regional, and national levels. Constituent instruments—charters, articles of incorporation, statutes, treaties—now routinely embed CSR provisions conditioning market access, licence issuance, and governance legitimacy on social-environmental performance. This section analyses how CSR principles permeate foundational corporate documents, demonstrating legal evolution from shareholder primacy to stakeholder constitutionalism. Such provisions are found in constituent instruments of several corporations but for the purpose of this work, we will treat just few for illustration.

3.1 International Level: Multinational Constituent Instruments

3.1.1 OECD Guidelines for Multinational Enterprises (2011)

The OECD Guidelines for Multinational Enterprises which was adopted in 1976 and comprehensively revised 2011, endorsed by 49 Adhering States covering 90% global FDI flows, serve as authoritative constituent instrument legally embedding CSR obligations for more than 100 multinational subsidiaries worldwide.[10] Article I (General Policies) establishes foundational CSR duty: "Enterprises should take fully into account

[1] *Ibid* ss 27, 34, 37; MINTRAB, *Extractives Sector Labour Audit 2024*.

[2] Law No. 96/12 of 5 August 1996 on Environmental Management [Environmental Management Law], ch I, art 1.

[3] *Ibid* arts 2, 6.

[4] *Ibid* ch III, arts 20-31; MINEPDED, *EIA Compliance Report 2024*.

[5] *Ibid* art 25.

[6] *Ibid* ch V, arts 42, 51.

[7] *Ibid* art 82.

[8] *Ibid* arts 93-99; Ministry of Justice, *Environmental Case Statistics 2025*.

[9] *Limbe Fishermen v SONARA* (2022); *Ngando v Perenco* (2023).

[10] OECD. (2011). *Guidelines for Multinational Enterprises*.

established policies in the countries in which they operate, and consider the views of other stakeholders. In this regard, enterprises should... respect the human rights of those affected by their activities."[1]

Chapter VI mandates environmental due diligence: "Enterprises should... undertake risk-based due diligence... to identify, prevent, mitigate and account for how they address adverse impacts... on the environment."[2] Interpretation reveals binding expectation on MNEs operating under adhering state jurisdictions—non-compliance triggers National Contact Points mediation, potentially voiding investment treaty protections.[3] Again, Chapter VI (Environment) operationalises environmental CSR through mandatory due diligence: Paragraph 1: "Enterprises should... undertake risk-based due diligence... to identify, prevent, mitigate and account for how they address adverse impacts... on the environment." Paragraph 2: "Establish and maintain a system of environmental management that is based on... commitment to compliance with environmental legislation... and continuous improvement." Paragraph 6: "Contribute to the effective implementation of internationally agreed environmental standards, such as those set out in UN conventions."

Unilever PLC integrates guidelines into Global Code of Business Principles (Art. 4): "Sustainable sourcing covering 100% agricultural raw materials per OECD due diligence," legally obligating FCFA 2.5 billion Cameroon palm oil CSR procurement audited annually.[4] Nestlé SA embeds in Articles of Association (Swiss Code Art. 719b): "Board oversight of sustainability strategy aligning OECD Chapter VI," justifying derivative shareholder actions for CSR neglect.[5]

3.1.2 UN Global Compact, 2000

The United Nations Global Compact, launched in 2000, is the world's largest corporate sustainability initiative aimed at encouraging businesses to adopt sustainable and socially responsible policies. The UN Global Compact was officially launched on July 26, 2000, by then-UN Secretary-General Kofi Annan during a high-level meeting at UN Headquarters in New York City. It was established in response to growing concerns about the negative impacts of corporate practices on human rights, labour rights, and the environment. The UN Global Compact (2000) constitutes pioneering constituent instrument embedding CSR as universal corporate obligation, ratified by close to 15,000 companies across 160 countries representing USD 20 trillion market capitalisation.[6]

As voluntary charter accepted through CEO letter to UN Secretary-General, it imposes Ten Principles across human rights, labour standards, environment, and anti-corruption, legally transitioning CSR from ethical aspiration to governance architecture. Principles 7-9 (Environment) provide foundational CSR mandates: Principle 7—"Businesses should support a precautionary approach to environmental challenges"—requires anticipatory risk management preventing irreversible ecosystem damage; Principle 8—"Undertake initiatives to promote greater environmental responsibility"—obligates affirmative sustainability programmes beyond regulatory compliance; Principle 9—"Encourage the development and diffusion of environmentally friendly technologies"—mandates innovation leadership transferring green solutions across supply chains.[7]

Nestlé S.A. has integrated this principles directly into its Articles of Association (Swiss Code Obligations Art. 719b): "Board shall oversee sustainability strategy aligned UN Global Compact Ten Principles," legally obligating CHF 2.8 billion (FCFA 1.8 trillion) annual CSR audited against Principles 7-9, justifying derivative suits for neglect.[8] Similarly, Unilever PLC Global Code of Business Principles (Art. 4) mandates: "100% sustainable agricultural sourcing per UN Global Compact Principle 8," legally requiring FCFA 2.5 billion Cameroon palm oil CSR procurement verifiable through annual Progress Reports submitted to UNGC.

3.1.3 World Bank Group Environmental, Health, and Safety Guidelines (EHS Guidelines, 2012)

The Environmental, Health, and Safety (EHS) Guidelines are technical reference documents with general and

[1] *Ibid*, Art. I, Ch. VI.

[2] *Ibid*, Chapter VI, para. 1.

[3] OECD NCP mediation outcomes 2020-2025.

[4] Unilever Global Code (2023). Available at https://www.unilever.com/files/code-of-business-principles-and-code-policies-english.pdf. Accessed on the 28/03/2026.

[5] Nestlé Articles (Art. 719b). Available at https://www.scribd.com/document/465682694/Articles-of-Association-of-Nestle-S. Accessd on 29/03/2026.

[6] Homepage | UN Global Compact, available at https://unglobalcompact.org/. Accessed on the 30/03/2026.

[7] *Ibid.*

[8] Nestlé Articles of Association (Swiss CO Art. 719b); Unilever Global Code Art. 4.

industry-specific examples of Good International Industry Practice (GIIP).[1] When one or more members of the World Bank Group are involved in a project, these EHS Guidelines are applied as required by their respective policies and standards. These General EHS Guidelines are designed to be used together with the relevant Industry Sector EHS Guidelines which provide guidance to users on EHS issues in specific industry sectors. For complex projects, use of multiple industry-sector guidelines may be necessary.[2]

The World Bank Group Environmental, Health, and Safety (EHS) Guidelines (2012) constitute authoritative constituent instruments conditioning financing for 3,500 annual projects across 100 countries, legally embedding CSR as prerequisite for USD 60 billion infrastructure lending. Comprising General EHS Guidelines and 37 Industry-Specific Guidelines, they establish performance standards superseding host country regulations where more stringent, creating de facto CSR constitution for project companies.[3] General EHS Guideline 1.1 mandates: "Identify EHS project hazards and associated risks... prioritize risk management strategies that eliminate causes of hazards," while Guideline 2.0 (Occupational Health & Safety) requires "management systems preventing accidents, injury, disease." Guideline 3.0 (Construction) demands "erosion control, waste management, community health plans," binding borrowers through loan covenants enforceable via default acceleration.[4]

EHS Guidelines create contractual CSR obligations—non-compliance triggers financing suspension, equity dilution, or project cancellation. Performance Standard 3 (Resource Efficiency and Pollution Prevention) mandates: "Consistent with good international industry practice (GIIP)... as reflected in World Bank Group EHS Guidelines," legally requiring Special Purpose Vehicles (SPVs) adopt standards exceeding local law.[5] Total Energies Cameroon embeds verbatim in Corporate Charter Article 3.2: "Comply with or exceed IFC EHS Guidelines for petroleum operations, including biodiversity offsets, zero routine flaring," justifying FCFA 12 billion Imo River remediation as financing covenant per USD 1.2 billion financing agreement. Similarly, Perenco Cameroon project statutes mandate "EHS Guideline 1.2 air emissions limits, continuous monitoring per Guideline 1.6," legally obligating USD 45 million emissions reduction audited against IFC benchmarks.

3.2 Regional Level: OHADA and CEMAC Corporate Instruments

3.2.1 OHADA Uniform Act on Commercial Companies and Economic Interest Groupings (AUSCGIE, 2014)

This treaty governs 17 African states including Cameroon, embedding CSR through governance modernisation.[6] Article 794 mandates boards "establish internal control procedures covering environmental risks," Article 841 requires annual reports disclose "social and environmental performance impacting company activity."[7] Interpretation reveals fiduciary evolution: directors neglecting CSR disclosures face personal liability under Article 330 breach of diligence, elevating environmental due diligence to directorial duty.[8] Société Générale Cameroun's statutes (Art. 12) explicitly reference AUSCGIE: "Adopt CSR policy aligned OHADA reporting standards, prioritising local content, environmental protection," legally obligating compliance through shareholder oversight.

3.2.2 CEMAC Regulation No. 04/18/CEMAC/UMAC/COBAC on Banking Governance (2018)

CEMAC Regulation No. 04/18/CEMAC/UMAC/COBAC on Banking Governance constitutes authoritative regional constituent instrument governing 120 financial institutions across Cameroon's six-state Economic and Monetary Community, legally embedding CSR as prudential governance obligation for USD 45 billion banking sector. Adopted by COBAC (Central African Banking Commission), Article 45 mandates establishment of "CSR committees within governance structures responsible for integrating environmental, social, and governance criteria into strategic decisions," while Article 89 requires "environmental risk assessments integrated into credit

[1] Defined as the exercise of professional skill, diligence, prudence and foresight that would be reasonably expected from skilled and experienced professionals engaged in the same type of undertaking under the same or similar circumstances globally. The circumstances that skilled and experienced professionals may find when evaluating the range of pollution prevention and control techniques available to a project may include, but are not limited to, varying levels of environmental degradation and environmental assimilative capacity as well as varying levels of financial and technical feasibility.

[2] A complete list of industry-sector guidelines can be found at: www.ifc.org/ifcext/enviro.nsf/Content/EnvironmentalGuidelines.

[3] World Bank Group EHS Guidelines (2012); IFC Performance Standards.

[4] *Ibid.*

[5] *Ibid.*

[6] OHADA AUSCGIE (2014), arts. 794, 841.

[7] *Ibid.*

[8] OHADA Art. 330 directorial liability.

approval processes, with climate change exposure quantified in annual reporting."[1] These provisions elevate CSR from discretionary practice to regulatory compliance imperative, with non-adherence triggering supervisory interventions including fines up to 5% equity capital and temporary management replacement.

This regulation creates fiduciary CSR duty for bank directors, where neglecting ESG integration constitutes breach of prudence actionable under Article 112 personal liability provisions. Article 47 further mandates "public disclosure of CSR policies and performance indicators aligned international standards," legally obligating GRI-compliant reporting audited by COBAC inspectors.[2] Société Commerciale de Banque Cameroun (SCB) integrates directly into bylaws Article 7: "Establish CSR Committee per CEMAC Reg. 04/18 Art. 45; integrate ESG scoring in lending decisions per Art. 89; report annually COBAC on FCFA 1.2 billion climate portfolio exposure," justifying mandatory CSR budgeting as prudential requirement audited quarterly.[3] Similarly, *Société Générale* Cameroun statutes mandate "green bond issuance framework per CEMAC environmental risk standards," legally obligating FCFA 1.8 billion sustainable finance as regulatory survival condition.

3.3 National Level: Cameroonian Corporate Constitutions

3.3.1 SONARA Refinery Statutes

SONARA (*Société Nationale de Raffinage*), Cameroon's national oil refinery established by Decree No. 73/140 of 23 March 1973 as limited liability company with FCFA 32.5 billion capital (80.29% state-owned), embeds CSR as statutory obligation through its Health, Security, Environment, Quality and Corporate Social Responsibility Charter and concession framework governing Limbe operations.[4] While formal statutes primarily address corporate purpose (Article 2: "refine crude petroleum products for national market"), Article 15 (CSR Integration) mandates: "SONARA commits protecting surrounding communities and environment from industrial nuisances, implementing sustainable development programmes aligned Cameroon legislation and petroleum industry best practices," legally justifying FCFA 5 billion annual CSR expenditure as fiduciary requirement audited by board oversight committees.[5]

It is worth noting that SONARA's CSR obligations derive dual constitutionalisation; national concession terms conditioned on Law No. 96/12 environmental compliance (Article 42 polluter-pays) and state ownership charter embedding sustainable development duties.[6] The HSE-Q Charter operationalises statutory mandate: "Prevent, control, reduce environmental impacts; develop host communities through infrastructure, health, education initiatives," legally obligating continuous emissions monitoring, effluent treatment meeting CEMAC standards, and FCFA 2.8 billion Limbe community development audited per OHADA AUSCGIE Article 841 disclosure requirements.[7] Non-compliance constitutes breach of concession agreement actionable through equity dilution or operational suspension by Ministry of Mines, Petroleum and hydrocarbons.[8]

3.3.2 Cameroon Telecommunications (CAMTEL) Articles of Association

CAMTEL (Cameroon Telecommunications), established by Decree No. 98/198 of 8 September 1998 as state-owned public limited company (SA) with FCFA 50 billion capital fully held by the Republic, embeds CSR obligations within its constitutive decree and internal governance charter rather than traditional articles of association, reflecting public enterprise constitutionalisation under Ordonnance No. 95/003 on public sector statutes.[9] Article 12 (Strategic Orientation) mandates CAMTEL as "resilient innovative corporate citizen committed to sustainable development and digital transformation leader in Sub-Saharan Africa," legally obligating environmental stewardship and social inclusion as core corporate purpose beyond telecommunications infrastructure provision.[10] This provision justifies FCFA 3.2 billion annual CSR expenditure on e-waste recycling, digital literacy for 150,000 rural students, and renewable energy-powered base stations audited by Board of Directors oversight committees.

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[1] CEMAC Reg. 04/18/CEMAC/UMAC/COBAC (2018), arts. 45, 89, 112, 47.

[2] *Ibid.*

[3] *Ibid.*

[4] Decree No. 73/140 of 23 March 1973 establishing SONARA.

[5] SONARA Statutes, Art. 15 (CSR Integration); SONARA Annual Report 2024.

[6] Law No. 96/12 of 5 August 1996, Art. 42 (polluter-pays).

[7] SONARA HSE-Q Charter; OHADA AUSCGIE (2014), Art. 841.

[8] Petroleum Code (Law No. 99/013), concession termination provisions.

[9] 1 Decree No. 98/198 of 8 September 1998 creating CAMTEL; Ordonnance No. 95/003 (1995).

[10] CAMTEL Articles, Art. 12 (Strategic Orientation); CAMTEL Annual Report 2024.

CAMTEL's CSR duties derive from dual constitutional embedding—public enterprise statute requiring alignment with national sustainable development policy (Strategy Paper 2020) and telecommunications sector licence conditioned on Law No. 2010/013 environmental compliance including electromagnetic emissions limits and network waste management.[1] The Vision 2050 Strategic Plan operationalises statutory mandate through "50% reduction e-waste emissions by 2030, 80% renewable-powered network infrastructure," legally requiring FCFA 1.8 billion annual green investments verifiable through MINPOSTEL annual performance audits and OHADA AUSCGIE Article 841 sustainability disclosures.[2] Non-compliance constitutes statutory mission failure actionable through Director General Dismissal by Presidential decree or shareholder resolution at General Assembly.

3.3.3 Cameroon Petroleum Investment Corporation (SNH) Charter

SNH (*Société Nationale des Hydrocarbures*), established by Decree No. 80/086 of 12 March 1980 as state-owned public establishment with exclusive mission "to manage State interests in hydrocarbons sector," embeds CSR as statutory constitutional obligation through its constitutive decree and petroleum contract oversight mandate under Petroleum Code (Law No. 2019/008).[3] Article 4 (Corporate Mission) mandates: "promote, develop, monitor oil and gas activities ensuring compliance regulatory texts, control production costs, protect national interests including environmental sustainability and local content development," legally justifying FCFA 15 billion annual CSR expenditure as sovereign resource stewardship duty audited by Presidential oversight and OHADA-compliant governance structures.[4]

SNH's CSR derives from triple constitutional embedding—Decree No. 80/086 mission alignment with Constitution Preamble sustainable development duties, Petroleum Code Article 135 requiring "compliance applicable laws including environmental protection," and production sharing contracts (PSCs) mandating local content 60%, environmental bonds, gas flaring minimization.[5] SNH operationalises through Upstream Division mandates: "environmental risk monitoring partner compliance, local content enforcement 60% workforce/services, gas flaring reduction plans," legally requiring FCFA 8 billion local capacity building audited per annual PSC performance reviews with 15 international operators (Perenco, Addax).[6] Non-compliance constitutes statutory mission failure actionable through Presidential decree restructuring or PSC termination clauses.

SNH exercises regulatory veto power—rejected 3 PSC bids (2022-2024) citing inadequate CSR frameworks; imposed FCFA 4.2 billion environmental penalties on non-compliant operators; enforced 42% local content increase since 2020.[7] Judicial synergy amplifies: SNH violation reports trigger High Court strict liability under Law No. 96/12 Article 42, as demonstrated Perenco pipeline cases yielding FCFA 890 million remediation.[8] SNH's annual CSR portfolio (FCFA 15 billion) legally justified as sovereign revenue protection—5,000 billion FCFA transferred Public Treasury (2013-2023) conditional upon sustainable extraction practices.

SNH model governs 12 portfolio companies (SONARA 6%, TRADEX 54%, COTCO 5%) embedding "SNH CSR standards" in shareholder agreements—TRADEX statutes mandate "responsible petroleum trading per SNH environmental benchmarks," legally obligating FCFA 2.1 billion sustainable procurement. Private operators mirror through PSC clauses: Perenco Cameroon contracts require "SNH-approved environmental management plans, local content guarantees," audited quarterly against national benchmarks.[9]

4. Conclusion

Corporate Social Responsibility (CSR) has emerged globally as a critical framework through which corporations are expected to integrate social, environmental, and ethical concerns into their business operations and interactions with stakeholders. In Cameroon, however, the discourse on CSR remains relatively recent and underdeveloped, characterized by fragmented practices that are largely philanthropic in nature, limited institutionalization, and a lack of coherent legal and policy guidance. This paper has systematically examined the

[1] Law No. 2010/013 on Electronic Communications, environmental provisions.

[2] CAMTEL Vision 2050; OHADA AUSCGIE (2014), Art. 841.

[3] Decree No. 80/086 of 12 March 1980; Petroleum Code Law No. 2019/008.

[4] SNH Charter Art. 4; SNH Annual Report 2024 (FCFA 15b CSR).

[5] Petroleum Code Art. 135; Constitution Preamble sustainable development.

[6] SNH Upstream Division mandates; 15 PSC operators.

[7] SNH PSC enforcement 2022-2024 (3 rejections, FCFA 4.2b penalties).

[8] Law No. 96/12 Art. 42; Perenco FCFA 890m precedent.

[9] TRADEX/SNH shareholder agreements; Perenco PSC clauses.

normative basis for corporate social responsibility in Cameroon, interrogating whether CSR in the Cameroonian context is grounded primarily in voluntary corporate discretion, binding legal obligations, soft-law standards, or broader normative orders such as human rights and sustainable development principles.

The doctrinal legal analysis undertaken in this study reveals that while Cameroon does not possess a single, dedicated CSR statute or a comprehensive national CSR policy, a fragmented but significant normative framework exists. This framework is constructed through various legal instruments, including environmental legislation such as Law No. 96/12 of 5 August 1996 on environmental management and its implementing decrees, labour standards, corporate governance initiatives such as the GECAM Code of Good Corporate Governance, and regional business law under the OHADA regime. These instruments collectively impose duties on enterprises regarding environmental protection, community welfare, responsible management, and compliance with regulatory requirements, thereby providing an implicit normative basis for CSR in Cameroon.

Nevertheless, the effectiveness and coherence of this normative framework are substantially undermined by several critical challenges. Empirical research and scholarly literature indicate weak enforcement of existing laws and regulations, limited awareness and capacity among local corporations to address stakeholder needs comprehensively, and the frequent sidelining of environmental and community concerns when CSR strategies are adopted. The absence of specialised oversight agencies mandated to guide, monitor, and evaluate CSR practices further compounds these problems, leaving much of CSR activity to voluntary, often image-driven initiatives by companies, particularly subsidiaries of multinational enterprises responding to external stakeholder pressures.

This study argues that the apparent gap between the growing practice and rhetoric of CSR in Cameroon and the absence of a clear, coherent normative framework that defines its legal, ethical, and policy foundations constitutes a fundamental problem that requires urgent attention. CSR in Cameroon cannot remain a domain defined primarily by voluntary corporate philanthropy or by scattered and indirect legal guidance. A clearer articulation and strengthening of the normative basis for CSR is essential to guide corporate behavior, enhance corporate accountability, and support more coherent regulatory and policy interventions.

5. Recommendations

To address these challenges, the present paper recommends several measures.

First, the State should consider adopting a strategic CSR policy that clarifies the objectives, scope, and expectations of CSR in Cameroon.

Second, legislative interpretative work should be undertaken to clarify the legal status of CSR obligations within existing frameworks, including environmental legislation, labour law, and OHADA instruments.

Third, enforcement mechanisms for existing laws and regulations relating to environmental and social issues should be reinforced, and the capacity of oversight agencies should be strengthened.

Fourth, the alignment of Cameroonian CSR practices with international CSR standards and frameworks, such as the United Nations Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises, should be encouraged to enhance coherence and credibility.

Finally, the codification of CSR policies and the introduction of mandatory CSR disclosure requirements for businesses may provide additional mechanisms to encourage and compel enterprises to prioritize environmental protection and social responsibility.

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Paradigm Academic Press
Law and Economy
ISSN 2788-7049
SEP. 2026 VOL.5, NO.3

Effects of Interest Rates on Socioeconomic Prosperity in Sub-Saharan Africa

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doi:10.63593/LE.2788-7049.2026.09.003

Abstract

Socioeconomic prosperity remains a critical priority for many countries in the Global South, particularly in Sub-Saharan Africa, where fluctuating interest rates pose significant challenges. This paper examines the impact of interest rates on socioeconomic prosperity across 38 Sub-Saharan African (SSA) countries from 2003 to 2024, drawing on secondary data from the World Development Indicators. Employing fixed effect models and system generalized method of moments (GMM) to address robustness and potential endogeneity issues, the findings indicate a significant association between interest rates and improvements in socioeconomic prosperity. These results are consistent across estimation methods and align with the perspective that favorable interest rate adjustments enhance productivity. Key policy recommendations emphasis the need to strengthen monetary policy transmission mechanisms through measures such as boosting banking sector competition, enhancing credit information systems, refining regulatory frameworks, and mitigating risk premiums through credit guarantee schemes and improved collateral mechanisms.

Keywords: interest rates, socioeconomic prosperity, SSA, SGMM

1. Introduction

Interest rates act as a fundamental driver in shaping economic paths, significantly affecting growth, job creation, and societal welfare in both advanced and emerging markets. In Europe, the European Central Bank's (ECB) recent monetary tightening, coupled with national policies, has raised borrowing costs, curbing growth and straining labour markets. This has reduced household purchasing power and overall welfare (IMF, 2023), emphasizing the need to examine interest rate fluctuations' wider social and economic effects. In the United States, a study by Federal Reserve (2020), highlights the regressive impacts of rising rates, which heighten costs for mortgages, credit cards, and small business loans, hitting low-income households hardest by restricting credit and widening inequality. Thus, wealthier groups, with assets that gain value in high-rate environments, face less strain, showing how rate policies reshape prosperity and equity.

Canada illustrates how credible monetary frameworks can mitigate high rates. The Bank of Canada's approach has stabilized inflation expectations, but sustained high rates have increased mortgage burdens and cut disposable incomes. Clear policy communication reduces uncertainty, easing socioeconomic costs (Tombe, 2022), a key lesson for Sub-Saharan Africa (SSA), where central bank independence and transparency are often limited. China's system differs, with state-controlled lending and exchange rates dominating transmission. Rate changes influence investment, urban jobs, and rural welfare uniquely, underscoring institutional roles in rate effects relevant for SSA's shallow financial sectors (PBOC, 2024).

South Korea's evidence shows that rate shifts strongly affect household debt, inequality, and polarization amid

high leverage. Rate hikes burden debtors, suppress consumption, and deepen divides, hindering inclusive growth (Yoon, 2024). Insights from Europe, North America, China, and Korea reveal rates' influence on prosperity through labour, credit, and distribution channels, providing a basis for SSA analysis. South Africa, with inflation targeting since 2000, uses rates for stability (South African Reserve Bank, 2000), but fiscal pressures, debt rising from 28% of GDP in 2008 to 56% in 2018, are projected to exceed 70% a challenge (Sangweni, 2020). The IMF warns that debt costs may force higher rates to anchor expectations (IMF, 2020), raising borrowing expenses and limiting investment and consumption. This interplay of rates and fiscal constraints shapes growth and welfare in unequal settings, stressing policy credibility and discipline for SSA to counter debt-driven rate pressures.

South African research reveals monetary policy's distributional effects via rates. Expansive policies lowering rates often widen wage gaps by benefiting skilled workers more (Bhorat & Oosthuizen, 2022), while hikes may compress them by slowing top-end wage growth. Tightening also reduces consumption inequality by hitting debt-heavy, wealthier households harder (IMF, 2021). Rates thus impact beyond aggregates, affecting livelihoods and distribution crucial in SSA's unequal, segmented markets, where policies can entrench or ease disparities. South Africa's case urges evaluating rates for equity alongside stability, linking to socioeconomic prosperity. Nigeria exemplifies the high rates' drag on development. From 2000–2022, average lending (17.4%) and deposit (9.8%) rates discouraged borrowing, stifling private growth and non-oil diversification (Ajayi & Okeowo, 2025). Limited credit for SMEs and households curbed income opportunities, eroding welfare and progress. This highlights the risks of tight policies and the need for coordinated approaches for SSA prosperity.

Kenya's dynamics show debt and interest burdens hindering advancement. From 1991–2015, servicing external debt slowed growth by diverting funds from investments (Chepkilot, 2024), persisting to limit social and infrastructure spending. Vision 2030 prioritizes stability for savings, private growth, and SMEs (Government of Kenya, 2019), but a 40.8 Gini coefficient and rural-urban poverty gaps endure (World Bank, 2022). High interest payments cut resources for vulnerable groups, undermining equitable progress lessons for SSA on debt and inclusion. Nigeria's 2018 poverty 43% (89 million) below the line, 25% vulnerable (World Bank, 2020) worsens with high rates blocking credit and jobs (Ajayi & Okeowo, 2025). Rates manifest in real scarcities, underscoring affordable credit's role in inclusivity and aligning monetary policy with poverty goals in SSA.

Ghana's 2002 inflation targeting stabilised rates, with 1970–2016 data showing lower, predictable levels boosting investment and reducing uncertainty (Akosah, Loloh, & Omane-Adjepong, 2018). The 2010–2012 stability supported households and capital, proving credibility's value (Akosah et al., 2018). But later fiscal issues showed limits without fiscal support. Ghana demonstrates that credible systems can enhance welfare via rates, but need institutional insights for volatile SSA. A 2001–2017 study of 48 SSA countries found that government spending and FDI reduce poverty, while high-rate tight policies harm welfare without productive fiscal offsets (Anjande *et al*., 2022). Fiscal tools like health, education, and infrastructure investments outperform rate hikes alone; high rates stifle private growth and hit the poor via credit barriers. SSA rate effects tie to fiscal interactions.

The World Bank (2024) projects SSA per capita income back to pre-COVID levels by 2026, only 2% above 2019, with poverty and limited fiscal space for human capital impeding inclusion. Rising debt costs crowd out social spending on infrastructure and safety nets, hurting vulnerable groups. SSA's slow recovery versus Asia/Latin America highlights vulnerabilities; high rates and poverty traps demand reforms, monetary-fiscal coordination, and investments for growth and welfare. Kenya's August 2025 25-basis-point cut to 9.5% signals stability confidence, easing costs for growth (Reuters, 2025a). But without supply chain, agriculture, and safety net reforms, high rates may still erode welfare. Central banks can adjust rates, but coordination ensures easing benefits socioeconomic outcomes.

South Africa's 2025 proposal to lower inflation targets aims to anchor expectations, cut costs, and boost competitiveness (Financial Times, 2025). Investors approved, but the treasury worried about wage and price impacts (Reuters, 2025b). In unequal societies, lower rates aid investment but risk inequality without fiscal/equity policies. These stresses integrating socioeconomic factors; for SSA, align monetary strategies with poverty reduction and equity. In Cameroon, rates critically shape socioeconomic development. The CEMAC framework's euro peg influences regional rates, affecting household affordability via credit costs. High rates limit access to food, health, and education which are key to prosperity (Touna Mama, 2019). They also sway investments; increase acute credit scarcity and exclude SMEs and vulnerable families, thus, warranting analysis of rate effects in Cameroon's context.

Cameroon's agriculture-, oil-, and informal trade-dependent economy reacts sharply to rates. High costs deter farm modernization, low credit hampers productivity, creating cycles of low income and resilience. Policies must expand affordable finance for rural vitality. Urban areas like Douala and Yaoundé face rate-driven housing and import cost hikes, worsening debt via high microfinance rates for informal traders stifling jobs and growth. Rates affect micro-outcomes like employment and skills; narrowing spreads is vital to protect urban households

(Nguena & Tchana, 2019). Cameroon's financial sector, post-reforms, favours large firms; SMEs lack affordable credit due to BEAC-regulated high rates and collateral (Epule *et al*., 2021). This crimps private growth and labour absorption, causing unemployment amid youth bulge and informality (Nguena, 2019). Easing constraints is key for inclusive jobs. Rates strain public finance: higher ones raise debt costs, consuming budgets and limiting social programs (World Bank, 2022), deepening inequality and slowing SDGs (Foko & Tamba, 2020). Benign rates ensure fiscal sustainability and welfare for middle-income aspirations.

CEMAC's centralization through BEAC denies Cameroon control over its rates, preventing effective responses to crises like the Anglophone conflicts or COVID-19. Rates often do not match local needs, increasing vulnerabilities; for instance, regional rate hikes restrict credit, worsening unemployment and poverty (Ngouhouo & Nembot, 2018). External constraints influence domestic outcomes. Socially, high or restrictive rates contribute to youth unemployment and unrest, linking macroeconomic instability to issues of legitimacy and cohesion (Njong, 2021). Rates impact societal stability; understanding them helps develop policies for fair growth, strong institutions, and national prosperity in Cameroon.

2. Literature Review

2.1 Theoretical Review

Key economic theories explaining the nexus between interest rates and socioeconomic prosperity—encompassing growth, employment, and welfare—have evolved from classical foundations to complex modern frameworks. While the traditional monetary policy transmission mechanism suggests that central bank adjustments stimulate prosperity via credit, exchange rates, and expectations (Mishkin, 2007), contemporary research introduces the Reversal Interest Rate hypothesis. This theory posits that once rates fall below a specific threshold, further cuts may actually constrain prosperity by eroding bank profitability and distorting resource allocation (Brunnermeier & Koby, 2019; MDPI, 2024). Furthermore, the classic Loanable Funds Theory and Keynesian Liquidity Preference have been modernized by the Endogenous Money Approach. This perspective suggests that interest rates are less about equilibrating fixed supplies of money and more about central banks tracking a shifting Neutral Interest Rate to ensure the economy reaches its full potential without overheating (Cleveland Fed, 2025; Zaman, 2024).

The relationship between interest rates and price stability is further illuminated by the Fisher Hypothesis, which has been expanded by recent Neo-Fisherian literature. While Fisher (1930) focused on nominal rates adjusting for inflation to stabilize real incomes, Neo-Fisherianism suggests that a permanent increase in nominal rates might be a prerequisite for escaping low-inflation, low-growth traps, thereby fostering long-term prosperity (Bouakez & Kano, 2024; NBER, 2024). Additionally, the socioeconomic impact of interest rates is now viewed through a distributional lens; recent studies indicate that while low rates aim to boost employment, they can inadvertently exacerbate wealth inequality by inflating asset prices (ResearchGate, 2026). This modern synthesis, alongside Rational Expectations and New Keynesian models, emphasizes that the efficacy of interest rate policy depends heavily on anchored expectations and institutional credibility, acknowledging that productivity shocks often limit the extent to which monetary policy alone can drive prosperity.

2.2 Empirical Review

There exists a litany of studies that underscore the role of interest rates on economic growth and prosperity in SSA. These studies make use of a battery of estimation techniques and methods. Chepkilot (2024) analysed external debt interest payments' effects on Kenya's growth using annual data from 1991–2015. Based on regression analysis, the results indicated a significant negative link, with high payments diverting resources from investments, and undermining prosperity. Okoro and Nkoro (2024) examined asymmetric interest rate impacts on Nigeria's agriculture and rural livelihoods, using annual data from 1990–2023 and the ARDL model. The result showed that rate increases harmed output more than decreases, exacerbating rural vulnerability. Zulu and Banda (2023) assessed policy rates' influence on Zambia's financial inclusion and stability (2005–2022 quarterly data; SVAR model). Rate changes significantly affected service access and stability, impacting population well-being.

Anjande et al. (2022) examined the effect of money supply on spending on SSA poverty using 48 countries, data from 2001–2017 and a system GMM estimation technique. Expansions linked to higher poverty via inflation and high borrowing costs, indirectly highlighting rate mediation. Similarly, Sibanda and Moyo (2022) investigated rates' effects on Zimbabwe's poverty and inequality using annual data from 1990–2021 and a Vector Error Correction Model (VECM) for estimation. The result shows that high rates worsened outcomes by raising credit costs for vulnerable groups. Adebayo and Oloyede (2021) studied real rates' impacts on SSA investment and performance, using 10 countries, and data from 2000–2019; while estimation was performed using the dynamic GMM technique. The result shows that higher rates negatively affected investment and growth.

Mugume and Muvawala (2020) analyzed rates' effects on Uganda's private credit and activity using annual data

from 1990–2018 and the Autoregressive Distributed Lag (ARDL) model. The results showed that lower rates boosted credit, investment, and jobs. Kamau and Muturi (2020) examined the rates' impacts on Rwanda's investment and growth using quarterly data from 2005–2019. Using the Ordinary Least Squares (OLS) estimation technique, the result shows a negative correlation with investment observed. Matekenya et al. (2020) linked financial inclusion (tied to rates) to SSA human development using data from 2015–2020 and estimation done through the GMM. The results showed that affordable borrowing improved HDI via health/education investments. Olamide and Olufemi (2019) assessed long-run rate effects on Nigeria's growth using annual data from 1980–2017; while the ARDL technique was used for estimation. The result shows a ignificant negative impact in the long run. Ndung'u and Githuku (2018) evaluated interest rate spreads on Kenya's financial performance and growth using quarterly data from 2000–2017 and a VECM. The results that Wide spreads hindered growth via high intermediation costs.

Amoah and Atiso (2017) studied rate liberalization on Ghana's financial deepening and growth using quarterly data from 1980–2015 and an Error Correction Model (ECM). Mixed results were obtained showing that initial deepening but unclear long-run growth gains. Akinlo (2016) assessed rates' impacts on SSA growth based on panel data from 1986–2013, using the OLS, fixed effects and dynamic GMM. The results showed that a 1% rate rise reduced growth by 4.35%. Alagidede and Panagiotidis (2015) examined rates' mediation in the financial development-growth nexus based on 16 SSA countries, using data from 1990–2012. Based on panel cointegration (PVECM), the result showed that rates significantly influenced outcomes. These studies affirm high rates' detrimental effects on SSA prosperity, advocating integrated policies to enhance transmission and equity.

3. Methodology

3.1 Sources of Data

The data utilized in this study are primarily from secondary sources, covering the period 2003–2024. This timeframe was selected to encompass significant political changes and major economic challenges in Sub-Saharan Africa (SSA), including issues such as supply shocks, fiscal pressures, and structural vulnerabilities, as highlighted by various authors between 2003 and 2023. Macroeconomic indicators, including imports and exports of goods and services, GDP per capita, foreign direct investment (FDI), domestic capital formation, broad money (M2), credit to the private sector, inflation, human capital, and population growth, are sourced from the World Development Indicators (WDI, 2025). Data on socioeconomic prosperity are obtained from the Legatum Prosperity Index (LPI, 2025). Interest rate information for the rest of SSA is sourced from the International Monetary Fund (IMF, 2025). Data for the CEMAC subregion are excluded due to unavailability, though Bank of Central African States (BEAC, 2025) data are referenced for contextual insights on the CEMAC region.

3.2 Model Specification

To examine the effects of interest rates on socioeconomic prosperity, the study develops a model where socioeconomic prosperity (measured by the Legatum Prosperity Index, LPI) serves as the dependent variable, influenced by real interest rates and other control variables. The model formulation draws inspiration from Stiglitz (2024) and Milton Friedman (1968), who emphasized socioeconomic prosperity as a function of real interest rates, as well as insights from Kliesen and Carney (2022). The functional form is specified as:

$$LPI = f(RIR, BM, UEM, HCAP, FDI, PG) \quad (1)$$

Where LPI represents the Legatum Prosperity Index, RIR denotes the real interest rate, BM stands for broad money, UEM refers to unemployment, FDI indicates foreign direct investment, HCAP signifies human capital, and PG represents population growth. Econometrically, the model can be expressed as follows:

$$LPI_{it} = \alpha_0 + \alpha_1 RIR_{it} + \alpha_2 BM_{it} + \alpha_3 UEM_{it} + \alpha_4 HCAP_{it} + \alpha_5 FDI_{it} + \alpha_6 PG_{it} + \varepsilon_{it} \quad (2)$$

Where ε_{it} is the error term and αi are parameters to be estimated, i=1, 2,..., N and t=1, 2,...,T.

3.3 Estimation Technique

To estimate the model mentioned above, we employ the Generalized Method of Moments (GMM) estimation technique. The rationale for using GMM is rooted in the works of Arellano and Bond (1991) and Blundell and Bond (1998), and further supported by Levine et al. (2000), who justified applying GMM to explore the relationships between variables. GMM addresses endogeneity not only at the level of other explanatory variables but also for the dependent variable by utilizing a series of instrumental variables derived from the lags of the endogenous variables. Specifically, it is assumed that the explanatory variables are weakly exogenous, meaning current and past realizations can influence them but must remain uncorrelated with future realizations of the error terms. Dynamic models are characterized by the inclusion of one or more lagged values of the dependent variable among the explanatory variables. In this context, the presence of the lagged dependent variable

precludes the use of econometric techniques such as ordinary least squares. Estimates derived from static panel models, including pooled OLS, fixed effects, and random effects estimators, may yield biased results when country-specific effects and lagged dependent variables or potential endogeneity of explanatory variables are present (Ibrahim and Law, 2014; Baltagi et al., 2005). Given these econometric challenges, we adopt the GMM estimation method for our analysis. From the specified model, we can consider an autoregressive panel data model of the following form:

$$LPI_{it} = \alpha_0 + \partial_1 LPI_{it-1} + \alpha_1 RIR_{it} + \partial_2 RIR_{it-1} + \alpha_2 BM_{it} + \partial_3 BM_{it-1} + \alpha_3 UEM_{it} + \partial_4 UEM_{it-1} + \alpha_4 HCAP_{it} + \partial_5 HCAP_{it-1} + \alpha_5 FDI_{it} + \partial_6 FDI_{it-1} + \partial_6 PG_{it} + \partial_6 PG_{it-1} + \varepsilon_{it} \quad (3)$$

Where $\varepsilon_{it} = \eta_i + \nu_{it}$ is the usual 'fixed effects' decomposition of the error term; N is large, T small as in our case. Fixed and random effects estimators in dynamic panel models can bias results due to correlation between explanatory variables and the error term, violating exogeneity assumptions. The Generalized Method of Moments (GMM) addresses this as a robust alternative for dynamic panel estimation. GMM's key advantages include resilience to model misspecification, no need for specific residual distributions, and alignment with theory by minimizing the weighted distance between predicted and actual values. It features two variants: (1) Difference GMM (Arellano & Bond, 1991), which eliminates individual-specific effects via first-differencing and instruments explanatory variables with lagged levels; and (2) System GMM, which extends this by combining differenced and level equations for improved efficiency.

$$\Delta LPI_{it} = \alpha_0 + \alpha_1 \Delta LPI_{it-1} + \alpha_2 \Delta RIR_{it} + \alpha_3 \Delta BM_{it} + \alpha_4 UEM_{it} + \alpha_5 HCAP_{it} + \alpha_6 \Delta FDI_{it} + \alpha_7 \Delta PG_{it} + \varepsilon_{it} \quad (4)$$

The system GMM estimator, developed by Blundell and Bond (1998), integrates the first difference equations with the level equations. It is more robust than the difference GMM. In this approach, the instruments used in the first difference equations are expressed in levels, and vice versa. We will apply both GMM methods to gain a better understanding of our study's results, as the outcomes of an estimation can vary depending on the estimation method employed. The GMM estimator offers several advantages, as it is robust to model misspecification and does not rely on specific distributional assumptions regarding the residuals. This estimator is more closely aligned with the theoretical relationship because it is designed to minimize the weighted distance between the theoretical values and the observed values.

4. Results and Discussion

As an introduction to the estimation procedures, this study conducts a descriptive analysis of the employed variables. Table 1 summarizes the statistics that will be instrumental in addressing the research objectives. The dataset spans from 2003 to 2023 and includes 38 countries selected based on availability of data, although some variables contain missing values.

Table 1. Descriptive Statistics

Variable	Obs	Mean	Std. Dev.	Min	Max
Prosperity Index	646	46.263	6.784	29.434	65.952
Real Interest rate	798	6.494	11.26	-81.132	52.437
FDI	798	4.151	7.981	-17.292	103.337
Broad money	780	31.987	20.562	7.352	156.746
Human capital	798	1.802	.466	1.069	3.125
Population growth	798	2.505	.788	-1.132	5.627
Import	745	1.010e+10	1.920e+10	47158152	1.236e+11

Obs- the number of observations, Std. Dev.= the standard deviation, Min = the minimum value and Max = the maximum value.

Source: constructed by the authors.

The prosperity index, serving as the dependent variable, averages 46.263 with a standard deviation of 6.784 and ranges from 29.434 to 65.952, reflecting moderate prosperity levels with potential for socioeconomic improvement. Among the independent variables, the real interest rate averages 6.494% (SD 11.26%, range -81.132% to 52.437%), showing significant disparities across countries; inflation averages 9.831% (SD 32.182%, range -4.295% to 557.202%), indicating extreme variability with some nations facing hyperinflation;

the human capital index averages 1.802 (SD 0.466, range 1.069 to 3.125), suggesting moderate differences in education and healthcare investments; population growth averages 2.505% (SD 0.788%, range -1.132% to 5.627%), with moderate variability including stagnation or decline in some areas; and import value averages 1.010e+10 (SD 1.920e+10, range 47,158,152 to 1.236e+11), highlighting substantial import disparities.

The correlation result presented in Table 2, reveals generally positive relationships between these variables and prosperity, though inflation, the real effective exchange rate, and population growth correlate negatively, potentially impeding progress. With coefficients below 0.5, multicollinearity is low, enhancing the reliability of regression analyses for assessing each variable's independent influence on socioeconomic prosperity.

Table 2. Correlation matrix of the relationships among inflation, interest rate and socioeconomic prosperity

Variables	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
(1) Prosperity Index	1.000									
(2) Real Interest rate	0.049	1.000								
(3) Exchange rate	-0.048	-0.219	1.000							
(4) Inflation	-0.110	-0.530	0.135	1.000						
(5) FDI	0.032	0.074	-0.023	-0.014	1.000					
(6) Broad money	0.664	0.010	-0.047	-0.097	-0.009	1.000				
(7) Human capital	0.481	-0.114	0.099	0.119	-0.056	0.272	1.000			
(8) Terms of trade	0.057	0.012	-0.004	-0.018	0.141	-0.012	0.128	1.000		
(9) Population growth	-0.595	0.004	-0.072	-0.006	0.059	-0.665	-0.448	0.041	1.000	
(10) Import	0.174	-0.081	-0.009	0.001	-0.112	0.188	0.227	-0.003	-0.176	1.000

Source: constructed by authors.

The analysis shows positive correlations between the Legatum Prosperity Index and Broad Money (r=0.664) and Human Capital (r=0.481), indicating that increased financial development and investments in human capital enhance prosperity, aligning with Acemoglu and Robinson (2012). Conversely, it has a negative correlation with Population Growth Rate (r=-0.595), suggesting that rapid population growth can strain resources and diminish prosperity, consistent with Bloom and Canning (2004). The Real Interest Rate negatively correlates with Inflation (r=-0.530), implying higher interest rates suppress inflation through increased borrowing costs, supporting Friedman (1968). Inflation shows a positive correlation with the Real Effective Exchange Rate (r=0.135), indicating that rising inflation leads to currency depreciation and boosts exports, as noted by Krugman and Obstfeld (2009). Human Capital is positively linked to Broad Money (r=0.272), demonstrating that investments in human resources stimulate financial expansion, echoing Becker (1962). The value of imports positively correlates with Prosperity (r=0.174), emphasizing the role of trade in fostering prosperity, as discussed by Frankel and Romer (1999).

The scatter plot depicting the relationship between real interest rates and socioeconomic prosperity reveals a slightly upward sloping trend, suggesting a weak positive correlation between the two variables. This observation aligns with theoretical expectations, as higher real interest rates can encourage greater savings and investment, ultimately contributing to enhanced socioeconomic prosperity (Tobin, 1965; McKinnon, 1973). However, it is important to recognize that this relationship may not apply in extreme situations, such as in Zimbabwe, where hyperinflation and economic instability have resulted in a complete breakdown of the monetary system. For example, Zimbabwe's inflation rate soared to an astonishing 89.7 sextillion percent in mid-November 2008, effectively rendering its currency worthless (Hanke, 2008). Consequently, the real interest rate turned negative, leading to a significant decline in savings and investment (Kairiza, 2009). In contrast, countries like Botswana and Mauritius have managed to maintain relatively high real interest rates while enjoying elevated levels of socioeconomic prosperity.

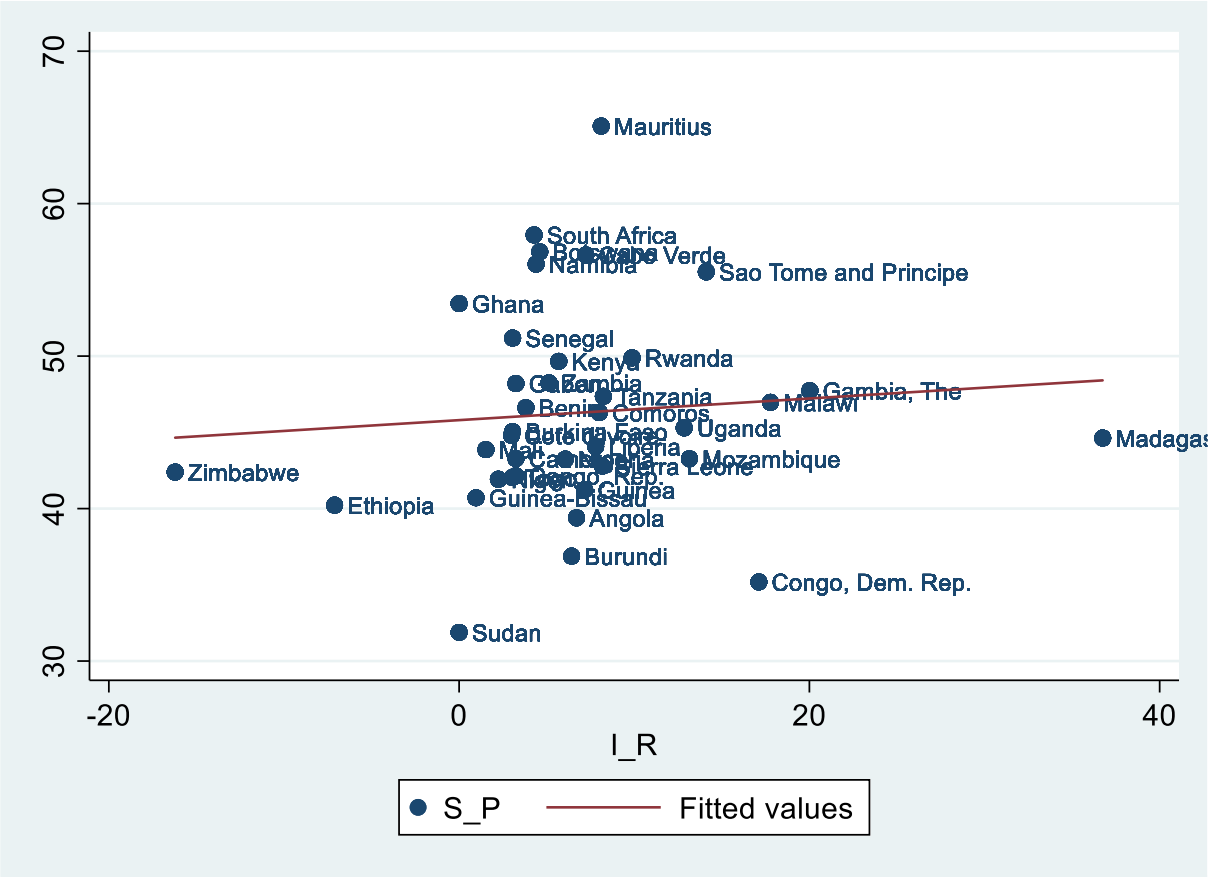


Figure 1. The relationship between real interest rate and socioeconomic prosperity

Source: constructed by authors.

The plot suggests that higher real interest rates are associated with higher levels of socioeconomic prosperity, although the relationship is not very strong. This implies that policymakers in SSA may need to consider the potential impact of interest rates on socioeconomic prosperity when making policy decisions. However, in extreme cases like Zimbabwe, policymakers may need to adopt more unconventional policies to promote socioeconomic prosperity. For instance, policymakers in Zimbabwe have implemented policies such as dollarization and monetary policy reforms to stabilize the economy and promote economic growth (Kairiza, 2009). According to a study by Makoni (2018), Zimbabwe's dollarization policy helped to reduce inflation and stabilize the economy, although it also led to a sharp decline in economic growth. In contrast, countries such as Ghana and Kenya have maintained relatively low real interest rates and have experienced lower levels of socioeconomic prosperity.

The slightly upward sloping trend in the plot highlights the importance of considering the potential impact of interest rates on socioeconomic outcomes in SSA. Policymakers in SSA should aim to maintain interest rates that promote savings and investment, while also considering the potential impact on socioeconomic prosperity. However, in extreme cases like Zimbabwe, policymakers may need to prioritize economic stabilization and monetary policy reforms over interest rate management. This can be achieved through the use of unconventional monetary policy tools, such as quantitative easing and forward guidance (Bernanke, 2013). According to a study by Ncube (2018), Zimbabwe's monetary policy reforms helped to stabilize the economy and promote economic growth, although they also led to a sharp increase in public debt. Countries such as Rwanda and Tanzania have successfully implemented monetary policy reforms and have experienced rapid economic growth and poverty reduction.

Before carrying out regression analysis to know the effect of the different predictors on socioeconomic prosperity, it will be important to first of all carry out some preliminary tests. These tests include the unit root test, the cross-sectional dependency test, the test of slope homogeneity, and the cointegration test. The unit root test results indicate the order of integration for each variable, which is essential for determining the appropriate econometric model specification. The results show that Inflation, Real Interest Rate, FDI, Broad Money, Real

Exchange Rate, Export, Import, Population Growth, and Human Capital are all stationary at level (I(0)), indicating that they do not have a unit root. This suggests that these variables are mean-reverting and can be modeled using standard econometric techniques. Similar results have been reported by Enders (2014), who found that many macroeconomic variables, including inflation and interest rates, are stationary at the level.

Table 3. Unit root test of Pesaran

Variable	Statistics	P-value	Order of integration
Real interest rate	-3.931	0.000	I (0)
Economic prosperity	-10.318	0.000	I (1)
FDI	-6.885	0.000	I (0)
Broad Money	-4.821	0.000	I (0)
Unemployment	-12.989	0.000	I (1)
Population growth	-8.564	0.000	I (0)
Human Capital	-2.811	0.002	I (0)

Source: Authors' Computation.

On the other hand, Economic Prosperity, Terms of Trade, and Unemployment are non-stationary at level I(1), indicating that they have a unit root. This suggests that these variables are not mean-reverting and may require differencing or other transformations to achieve stationarity. These findings are consistent with the results of Hamilton (1994), who found that many economic time series, including GDP and unemployment rates, are non-stationary and require differencing to achieve stationarity. The Augmented Dickey-Fuller (ADF) test statistics and p-values indicate the significance of the unit root test results. The low p-values (< 0.05) for most variables indicate that the null hypothesis of a unit root can be rejected, confirming that these variables are stationary. These results have implications for the econometric modeling strategy, as non-stationary variables may require special treatment, such as differencing or cointegration analysis. As noted by Dickey and Fuller (1979), the ADF test is a useful tool for determining the order of integration of a time series.

Following the descriptive statistics, the cross-sectional dependence test (CD) introduced by Pesaran (2004) is employed to determine whether there is cross-sectional dependence among the individual units in the panel. As noted by Dogan and Seker (2016), it is essential to assess the presence of cross-sectional dependence when conducting a panel study. Also, the study employs Wooldridge's test for autocorrelation to assess the presence of possible serial correlation amongst the variables. The Breusch-Pagan test was introduced to test the presence of heteroscedasticity in the model and measures to correct these issues. The results of these tests are presented in the Tables below.

Table 4. Preliminary Tests

	Indicator	T-statistics	Prob > F
Wooldridge test for autocorrelation	F(1, 35)	175.504	0.0000
	Ho: no first-order autocorrelation		
	Indicator	T-statistics	Prob > Chi(2)
Breusch-Pagan/Cook-Weisberg test for heteroscedasticity	Chi2(1)	3.76	0.0525
	Ho: Constant Variance		
Pesaran's test for cross-sectional independence = 2.672, Pr = 0.0000			
Average absolute value of the off-diagonal elements = 0.185			
Ho: no cross-sectional dependence			

Source: Authors.

The table above presents the findings from various preliminary tests conducted to assess the impact of real inflation on interest rates. The results of Wooldridge's test for autocorrelation indicate that the model is significant, leading us to reject the null hypothesis, which posits that there is no first-order autocorrelation. Additionally, the results from the heteroscedasticity test also demonstrate the model's significance, prompting us to reject the null hypothesis that asserts constant variance. Regarding the test for cross-sectional dependency, the results reveal the existence of cross-sectional dependence among the countries, suggesting that a shock in one country is likely to influence the other countries in the panel.

A comprehensive presentation and interpretation of empirical findings regarding the impact of real interest rates on socioeconomic prosperity is seen in Table 5 below, which illustrates the empirical results derived from our analysis, highlighting the nuanced effects that fluctuations in real interest rates can have on economic growth, income distribution, and overall societal welfare.

To achieve this objective, we utilized a fixed effects model as our baseline analytical framework. This approach allows for the control of unobserved heterogeneity by focusing on variations within the same entity over time. Additionally, to address potential endogeneity concerns wherein the real interest rate may be influenced by socioeconomic conditions rather than solely affecting them, we employed a two-step system Generalized Method of Moments (GMM) estimation technique. This robust method enhances the reliability of our findings by providing consistent estimates even in the presence of endogenous variables. The results obtained from this advanced estimation technique are presented in the subsequent tables, offering further insights into the intricate dynamics between real interest rates and socioeconomic prosperity.

Table 5. Estimates of the effects of interest rate on SEP using Fixed Effects

VARIABLES	Socioeconomic prosperity
Real Interest rate	-0.0154***
	(0.00573)
Broad money	0.0395***
	(0.00743)
Unemployment	-0.0965***
	(0.0363)
Human capital	5.922***
	(0.519)
FDI	0.00432
	(0.00648)
Population growth	-0.513***
	(0.151)
Constant	36.24***
	(1.041)
Observations	598
Number of ID	37
R-squared	0.362

Standard errors in parentheses.

*** p<0.01, ** p<0.05, * p<0.1.

Table 5 illustrates the impact of interest rates on socioeconomic prosperity in Sub-Saharan Africa (SSA) through the application of a fixed effects model. This methodological choice was informed by the results of the Hausman

specification test, which indicated that the fixed effects model is more appropriate for our data. By focusing on within-entity variations, the fixed effects model effectively controls for unobserved heterogeneity, thereby providing more reliable estimates of the relationship between interest rates and socioeconomic outcomes in the region.

Table 6. Hausman specification test

	Coef.
Chi-square test value	35.254
P-value	0.00

Source: constructed by authors.

The Hausman test results indicate that the fixed effects model is preferred over the random effects model. Since the Hausman test results indicate that the FE model is preferred over the RE model, with a chi-square test value of 35.254 and a p-value of 0. This suggests that the FE model provides a better fit to the data than the RE model.

The real interest rate has a negative and significant impact on SEP, with a coefficient of -0.0154. This suggests that higher real interest rates are associated with lower levels of socioeconomic prosperity. Similar findings have been reported by Taylor (1993), who found that high real interest rates can have negative impacts on economic growth and prosperity. Broad money has a positive and significant impact on SEP, with a coefficient of 0.0395. This suggests that an increase in broad money is associated with higher levels of socioeconomic prosperity. These findings are consistent with the results of King and Levine (1993), who found that financial development, including broad money, has a positive impact on economic growth. Unemployment has a negative and significant impact on SEP, with a coefficient of -0.0965. This suggests that higher unemployment rates are associated with lower levels of socioeconomic prosperity. Similar findings have been reported by Blanchard and Wolfers (2000), who found that unemployment harms economic growth and prosperity.

For robustness check, we use the SGMM, but before interpreting the coefficients, we analyze the different preliminary tests related to GMM. From the results of the Arellano-Bond test for Autocorrelation of residuals and the Hansen and Sargan test of over-identification restrictions above, we found that there is an absence of Autocorrelation of order one since its p-value was significant at 5% and the presence of Autocorrelation of order two since its p-value was insignificant at 5%. The Hansen and Sargan test of over-identification restrictions, the instruments were valid. Therefore, the Hansen test failed to reject the null hypothesis.

Table 7. Estimates of the effects of interest rate on SEP using SGMM

VARIABLES	Socioeconomic prosperity
Prosperity index, lag-1	1.108***
	(0.0312)
Real Interest rate	-0.00763**
	(0.00384)
Broad money	-0.0140**
	(0.00615)
Unemployment	0.00487
	(0.00836)
Human capital	-1.287***
	(0.415)
Population growth	0.0524

	(0.106)
Constant	-2.208***
	(0.822)
Observations	561
Number of ID	37
Hansen p-value	0.376
AR (2) p-value	0.899
AR (1) p-value	1.85e-05

Standard errors in parentheses.

*** p<0.01, ** p<0.05, * p<0.1.

Source: Constructed by the author from secondary data (2025).

The System Generalized Method of Moments (SGMM) estimates provide a robustness check, which examines the impact of interest rates on socioeconomic prosperity (SEP). The results show that the lagged prosperity index has a positive and significant impact on SEP, with a coefficient of 1.108. This suggests that past levels of prosperity have a positive effect on current levels of prosperity.

The real interest rate has a negative and significant impact on SEP, with a coefficient of -0.00763. This suggests that higher real interest rates are associated with lower levels of socioeconomic prosperity. Similar findings have been reported by Taylor (1993), who found that high real interest rates can have negative impacts on economic growth and prosperity. Broad money has a negative and significant impact on SEP, with a coefficient of -0.0140. This suggests that an increase in broad money is associated with lower levels of socioeconomic prosperity. Human capital has a negative and significant impact on SEP, with a coefficient of -1.287. This suggests that an increase in human capital is associated with lower levels of socioeconomic prosperity.

5. Conclusion and Policy Recommendations

This paper aimed to investigate the impact of interest rates on socioeconomic prosperity across 38 Sub-Saharan African (SSA) countries from 2003 to 2024, utilizing secondary data from the World Development Indicators. Employing robust estimation techniques, including fixed effects models and system generalized method of moments (GMM), the findings consistently demonstrate that interest rates can enhance socioeconomic productivity in SSA. Consequently, policymakers should prioritize strengthening monetary policy transmission mechanisms. For Cameroon and other CEMAC member states, this entails improving the pass-through of the Bank of Central African States (BEAC) policy rates to commercial bank lending rates through enhanced banking sector competition, robust credit information systems, and effective regulatory frameworks.

Additionally, implementing measures to mitigate risk premiums, such as credit guarantee schemes and improved collateral systems, could lower interest rates for small and medium-sized enterprises (SMEs) and underserved populations. Cameroon should also promote financial inclusion initiatives to broaden credit access beyond urban areas. Moreover, interest rate policies should be applied flexibly to manage inflation while avoiding undue constraints on investment and consumption, acknowledging the inherent trade-offs. Despite its contributions, the study is limited by its regional focus on SSA; future research could expand to include developing and developed countries for a more comprehensive understanding of the interest rate-prosperity nexus. Employing less biased indicators of socioeconomic productivity would further refine these insights.

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Paradigm Academic Press
Law and Economy
ISSN 2788-7049
SEP. 2026 VOL.5, NO.3

Institutional Arbitration in the Resolution of Commercial Disputes in Cameroon: A Case Study of GICAM-CMAG

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doi:10.63593/LE.2788-7049.2026.09.004

Abstract

This paper examines the effectiveness of GICAM-CMAG as an arbitral institution in resolving commercial disputes in Cameroon. Institutional arbitration is one of the forms of ADR mechanisms, where parties refer their disputes to and are governed by the rules and procedures of the said institution. Even though it has standard rules which renders an arbitral award binding, it lacks an appellate jurisdiction, which acts as a hindrance to the unsatisfied party to review the case, thus an eventual resort to litigation. However, since the creation of OHADA in 1993, most people are ignorant of the existence of an arbitral institution and most of its rules are in French language causing a difficulty to business persons to better understand the arbitral proceedings like the OHADA Treaty and CMAG Rules. The main objective of this work is to elaborate some resolution mechanisms in resolving commercial disputes and to examine how effective is CMAG in resolving commercial disputes in Cameroon. To attain this objective, the study adopts content analysis of laws especially the CMAG Rules, alongside other legal instruments governing arbitration in Cameroon. Findings of the study reveals that CMAG is an arbitral institution which administers mediation and arbitration procedures, organizes practical training, seminars and conferences. It has created its own internal rules to govern its arbitral proceedings both at the national and international level. Thus, it is apparent to conclude that, even though CMAG has been instrumental since its creation, due to Language barrier and the lack of an appellate jurisdiction, it has acted as a limitation to its functioning. As such the study recommends for an official translation of its rules, the creation of an appellate jurisdiction, and an intensive awareness about the existence of the mediation and arbitration center and its procedural rules in resolving commercial disputes in Cameroon.

Keywords: institutional arbitration, resolution, commercial disputes, Cameroon

1. Institutional Arbitration

1.1 Concept at the Global Level

Generally, International trade is a highly progressive phenomenon. This is only natural as opportunities to expand into new markets abroad have been made available through reduced obstacles to trade, and through development in communities and progress in the transport sector. It is now possible for multinational companies to expand and increase their revenues by widening their horizon and accessing markets all over the world. This globalization does not however come only with new possibilities; it also results in new problems and difficulties.

Historically, arbitral procedure was not governed by legal rules as it is presently. Arbitration was (and in some instances still remains) a mechanism for dispute resolution adopted by members of various trade and specialist

associations.[1] In these associations commercial men enlisted the assistance of other (usually senior) members of the same trade association, to resolve disputes which arose in the course of their business relationship. The dispute was resolved in accordance with the practices of the particular trade association.[2] With the rapid growth of International trade the amount of international commercial disputes has increased. Due to congestion and delay in litigation; most parties to a commercial dispute prefer to resort to an alternative dispute method and there was also a need for a unifying law to govern these disputes in Africa. In this perspective, international arbitration rules, mechanisms and institutions have been developed.[3] This lead to the signing of the Port-Louis Treaty in 1993, which created the Organization for the Harmonization of Business Law in Africa (OHADA, French acronym for Organization pour L'Harmonisation en Afrique du Droit des Affaires).[4] Alternative dispute resolution (ADR), typically denotes a wide range of disputes resolution processes and techniques that act as a means for disagreeing parties to come to an agreement short of litigation: a collective term for the ways that parties can settle disputes, with the help of a third party.[5] However, ADR is also increasingly being adopted as a tool to help settle disputes alongside the court system itself.[6] Additionally, parties to merger and acquisition transactions are increasingly turning to ADR to resolve post acquisition disputes.[7] ADR typically includes negotiation, conciliation, mediation and arbitration. Arbitration is coined out as the most preferred method in dispute resolution that is why, *Fouchard,* [8]*describes* it as "an apparently rudimentary method of settling disputes, since it consists of submitting them to ordinary individuals whose only qualification is that of being chosen by the parties". It is not difficult to visualize the 'rudimentary' nature of the arbitral process in its early days. Two merchants in dispute over the quality of goods delivered, would turn to a third (neutral party), whom they knew and trusted for a decision on that dispute and would agree to abide by that decision without further question.

Arbitration process provides many advantages such as the humble cost of proceedings, time saving, a less formal character of procedure, the subsequent relaxation of rules or evidence and provide parties more practical, efficient and neutral dispute resolution when compared to state court litigation.[9] There are several types of arbitration which are ad hoc arbitration, contractual arbitration, statutory arbitration and institutional arbitration. Ad Hoc Arbitration refers to a scenario where the arbitration process is determined between the parties themselves like appointment of arbitrators, applicable rules, and other pertinent aspects; contractual arbitration is when parties to a contract agree to resolve future disputes via binding arbitration rather than in court or otherwise; statutory arbitration refers to a scenario where arbitration is conducted in accordance with the provisions of special act that specifically provides for arbitration in respect of disputes arising on matters covered by that act; institutional arbitration is defined as a permanent organization with a set of its own arbitration rules regulating the services provided by the organization and other procedural aspects of arbitration. By virtue of the party autonomy, parties have to make an early decision regarding whether their international arbitration should be "institutional" or "ad hoc" or any other form of arbitration. Arbitration can be "binding" or "non-binding". Binding arbitration means the parties have waived their right to a trial, agree to accept the arbitrator's decision as final and, usually, there is no right of appeal of the decision. Where there is a binding arbitration clause in a contract, the matter must proceed to arbitration and there is no trial. Non-binding arbitration means the parties can request a trial if they don't accept the arbitrator's decision. Some courts will impose costs and fines if the court decision is not more favorable than that awarded in arbitration. Thus, non-binding arbitration is increasingly rare.[10] Arbitral hearings and the parties' submissions or tribunals' awards are virtually closed to the

[1] Examples of such trade associations are the London Metal Exchange. Available at http://www.lme.co.uk/who.asp accessed on the 23 April 2021; The Federation of Oils, Feeds & Fats Associations available at http://www.fosfa.org/contracts/cont_arb_intro.htm accessed on the 23 April 2021; and The London Maritime Arbitrators Association at http://www.lmaa.org.uk/intro.asp accessed on the 23 April 2021.

[2] An example is the 'look, sniff arbitration' common in resolving disputes related to the grains and feeds trade associations.

[3] Arbitration law differs from country to country. Most of the developed countries have arbitration laws that permit and regulate both national and international commercial arbitration. Some countries enacted their own laws as the procedures of arbitration and some adopted commonly accepted rules and procedures as a model law. Such as Australia, Bulgaria, Canada, Russia and Turkey adopted UNCITRAL Model Law.

[4] Current Member States include: Benin, Burkina Faso, Cameroon, Central African Republic, Chad, Union of Comoros, Congo, Cote d'Ivoire, Gabon, Guinea, Guinea-Bissau, Equatorial Guinea, Mali, Niger, Senegal and Togo.

[5] Australian Securities and Investments Commission at http://www.Asic.gov.au accessed on the 25 April 2021.

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public and confidential.[1]

International arbitration is governed not only by the parties' private agreement but also by a number of international arbitration conventions that apply independently of the parties' agreements. The main goal of this conventions and treaties is to promote international arbitration and help to enforce arbitration awards, such as the 1923 Geneva Protocol,[2] and the 1927 Geneva Convention.[3] These conventions were followed by the New York Convention, or the United Nations Convention on the Recognition and Enforcement of Foreign Arbitral Awards of 1958[4]. The New York Convention was drafted under the auspices of the United Nations and has been ratified by more than 150 countries, including most major countries involved in significant international trade and economic transactions.[5] The United Nations Commission on International Trade Law (UNCITRAL Arbitration Rules) Adopted by resolution of the General Assembly of the United Nations in December 1976.[6] Another important convention is the 1961 European Convention on International Commercial Arbitration. This Convention was mainly drafted for arbitration between parties from European States. It was signed on the 21st April 1961 and came into force in 1964. Today, 31 States have signed and ratified the convention. The Washington Convention of 1965 is also an important convention on international arbitration,[7] together with some international rules like The UNCITRAL Model Law (Mode Law) adopted by the United Nations Commission on International Trade law in June 1985[8] and revisions to the Model law (the Revised Model Law) adopted in December 2006. The International Centre for the settlement of Investment Dispute (ICSID), also handles arbitration, but it is particularly focused on investor-state dispute settlement and hears relatively few cases.

Institutional Arbitration which is the main focus of the study simply refers to a situation where the parties submit their disputes to an arbitration procedure, which is conducted under the auspices of or administered or directed by an existing institution,[9] wherein, only the rules of the institution apply.[10] For example: the International Chamber Of Commerce (ICC) in France, the American Arbitration Association (AAA) in the United States, The London Court of International Arbitration (LCIA) in the United Kingdom etc. There are approximately 1200 institutions worldwide which offer arbitration services, and some will deal with a particular trade or industry. Often the contract between the parties will contain an arbitration clause which will designate an institution as the arbitration administrator.

1.2 Concept at the National Level

In Cameroon, Arbitration is a recognized and preferred form of dispute resolution for most commercially focused enterprises. Cameroon is one of the sixteen states who are members of the organization for the Harmonization of Business law in Africa (OHADA). The OHADA states adopted the Uniform Act, 1999 on Arbitration which sets out the basic rules applicable to any arbitration within these states, and is based on the UNCITRAL model law. Thus, Institutional Arbitration which is our focus is conducted in accordance with institutional rules.[11] Cameroon has three arbitration centers which are Centre d'arbitrage du CPAM in Yaoundé,

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[1] Kyriaki Noussia. (2010). *Confidentiality in Commercial International Arbitration: A Comparative Analysis of the Position under English, US, German and French Law* (1st edn). Springer, 9.

[2] The Geneva Protocol on Arbitration Clauses of 1923 was drawn up on the initiative of the International Chamber of Commerce (ICC) and under the auspices of the League of Nations and signed at Geneva on 24th September 1923.

[3] This Convention for the Execution of Foreign Arbitral Awards followed on from the Geneva Protocol and was signed at Geneva on 26th September 1927: League of Nations Treaty Series (1929-30), Vol XCII. P 302.

[4] The Convention on the Recognition and Enforcement of Foreign Arbitral Awards done at New York on the 10 June 1958. *United Nations Treaty Series* (1959), vol 330. 3. No 4739. The text of the Convention is set out in Appendix B.

[5] Jason Fry. (2010). *Recognition And Enforcement Of Foreign Arbitral Awards: A Global Commentary on The New York Convention Foreword* (Herbert Kronke, Patricia Nacimiento, Dirk Otto &Nicola Christine Port eds.)

[6] The UNCITRAL Rules (Resolution 31/98 adopted by the General Assembly on 15 December 1976). These Rules are set out in Appendix D.

[7] 'The Washington Convention on the Settlement of Investment Disputes between States and Nationals of Other States', done at Washington, 18 March 1965. United Nations Treaty Series (1966), Vol. 575,160, No 8359.

[8] The Model Law on International commercial Arbitration, adopted by the United Nations Commission on International Trade Law on 21 June 1985. The text of this is set out in Appendix A.

[9] Julian D. M. Lew et al. (2003). *Comparative International Commercial Arbitratio*n. Kluwer Law International, the Hague, 124.

[10] See Ralph H. Folsom et al. (2009). *International Business Transactions in a nutshell* at 327 West.

[11] Jeffrey Waincymer. (2012). *Procedure and Evidence in International Arbitration* (1st edn. WK 2012), 211.

African Intellectual property Organization in Yaoundé, and Centre d'arbitrage du GICAM (Groupement Interpatronal du Cameroun) now referred to as CMAG (Centre de mediation et d'arbitration du GICAM) in Douala, and is the foremost arbitration institute. The GICAM Arbitration Centre was created in 1997 to meet the need for quality dispute resolution as called for by the business sector. As already mentioned, about institutional arbitration, the GICAM Arbitration Centre administers arbitration procedures according to its Arbitration Rules and its proceedings are confidential. It is governed by law No. 90/053 of December 19, 1990, on freedom of association. GICAM brings together professional groups and individual companies; as such, it currently has more than 1000 members.[1]

Despite the impressive structure of the above provisions of the law, there are still some irregularities in the resolution of commercial disputes in Cameroon (GICAM-GICAM), like the inadequate drafting of certain provisions in the Arbitration Rules. There is therefore the need for Cameroon to develop and implement strategies that could better safeguard arbitral proceedings in Cameroon.

This research therefore, aims at strengthening the understanding of the effectiveness in the resolution of commercial disputes by arbitral institutions in Cameroon, (GICAM-CMAG). It is addressed to state authorities, Non-Governmental Organizations, Legal Practitioners, Scholars and individuals concerned with the resolution of commercial disputes in Cameroon.

2. Theoretical Framework

To have a better grasp and understanding of the concept of commercial resolution in Cameroon, it is important to examine modern jurisprudential theories of law.

As per Ronald Dworkin,[2] a contemporary jurist and H.L.A. Hart's successor in the Oxford Chair of Jurisprudence, jurisprudential theories should aim at showing the main point of law. In his view, different jurisprudential theories constitute alternative "interpretations" of the point of having law.

Reiterating this method of thinking, Juan M. Elegido[3] also argues that besides developing a global interpretation of what is the point of having law, a jurist must provide an account of what is the point of using each specific legal concept (e.g. what is the point of having rights?) or legal practice (e.g. what is the point of following precedents in the way in which it is done in common law?).

It has been accepted by many legal writers such as Alan Redfem &Martin Hunter[4] that parties go through the trouble and expense of taking their disputes before an arbitral tribunal with the expectation that, unless a settlement is reached along the way, the proceedings will end with an award. The parties also expect the award to be final and binding on them.

According to Professor Julian Lew,[5] the identification of the legal nature of arbitration 'allegedly holds the key to the identification of the legal and non- legal yardsticks available to arbitrators in international trade disputes'. Following this premise, consequently, every arbitration is subject to the law where it takes place.

2.1 Jurisdictional Theory

The jurisdictional (or territoriality) theory highlights the dominance and control exercised by the sovereign state in regulating any arbitration proceeding conducted within its territorial jurisdiction through its national laws and courts. This theory highlights the supervisory power exercised by the sovereign state over the disputing parties' right to enter into an arbitration agreement, the arbitration proceedings, the powers exercised by the arbitrator in the arbitral reference and the eventual arbitral award. According to Dr Mann[6], this theory gives significant importance to the law of the seat or place of arbitration, the *lex loci arbitri*.[7] Following this premise, consequently, every arbitration is subject to the law where it takes place. This theory serves as a guide to ensure

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[1] www.pefop.iiep.unesco.org >actors >groupement Interpatronal du Cameroun. (accessed on the 14/03/2021).

[2] R. Dworkin. (1986). *Law's Empire.* Oxford, 90.

[3] J.M. Elegido. (1994). *Jurisprudence*. Lagos: Spectrum Books Ltd., 7.

[4] A. Redfern & M. Hunter. (2004). *Law and Practice of International Commercial Arbitration*. London: Thomson Sweet &Maxwell 4th edition, 416.

[5] Julian D. M. Lew. (1986). *Determination of Arbitrators' Jurisdiction and the Public Policy Limitations on That Jurisdiction*. London, 73 et seq.

[6] See generally Francis A. Mann*, Lex Facit Arbitrum*, 2(3) Alternative Dispute Resolution International, p. 245 (1983); see also M. Mustill, "*Transnational Arbitration in English Law",* 37 Current L. Probs. 133, 142(1984).

[7] *Lex Loci Arbitri* is the latin term for "law of the place where arbitration is to take place" in the conflict of laws: see William W. Park. (2008). *The Lex Loci Arbitri and International Commercial Arbitration*. Cambridge University Press, p. 21.

an effective resolution of commercial dispute because it requires an arbitrator to carry out arbitration proceedings in accordance with the will of the parties' to the extent that the *lex fori* [1]allows.

2.2 Contractual Theory

The proponents of the contractual theory like Merlin and Foelix[2] assert that arbitration is based on the agreement between the parties. They explore the nature of arbitration from a contractual view. The arbitrator, upon accepting appointment becomes an agent of the disputing parties and the disputing parties become the principal. Accordingly, an arbitration agreement between the parties is regarded as a contract which expressly states the parties' wish to have their disputes resolved by means of international commercial arbitration. The proponents of the contractual theory believe that the settlement of the dispute in arbitration should be influenced by the concept of *pacta sunt servanda,*[3] binding the parties to perform the arbitration agreement made between them without state's pressure. This simply means that, upon the occurrence of a commercial dispute there has been an arbitration agreement which stipulates that upon a dispute, they will resort to arbitration. This serves as a guide to ascertain the validity of an arbitration agreement or contract upon commencing arbitral proceedings in Cameroon.

In most jurisdiction, the mechanism of international commercial arbitration is undeniably designed based on contractual theory. Recognizing the business people's desire to have a more flexible and informal method of dispute settlement, most courts tend to follow the contractual theory and interpret the relationship between parties and arbitrators as a contract. For instance, in England, in the case of *Cereals S.A. v. Tradax Export S.A.,*[4] where the court, first of all held that a contractual relationship existed between the parties and the arbitrators. Secondly, the court stated that the arbitrators became parties to the arbitration agreement as soon as they accepted the appointment. The court observed that; "It is the arbitration contract that the arbitrators become parties too, by accepting appointments under it. All parties to the arbitration are, as a matter of the contract, bound by the terms of the arbitration contract". A similar idea was also upheld in a recent case[5] about the issue of remuneration. The court decided that the arbitrators were entitled to reasonable remuneration. This entitlement was based on a trilateral contract between the two parties and the arbitrators. The implied terms of this kind of trilateral contract requires arbitrators to "conduct the arbitration with due diligence and at a reasonable fee", by using all reasonable means in entering on and proceeding with the reference.

2.3 Autonomous Theory (sui juris)

The autonomous or *sui juris* theory originally developed by Professor Rubellin- Devichi in 1965,[6] takes a different approach from the earlier juridical theories which looked at the role of (international) arbitration within the existing structure of national legal systems and its relationship with the law of the seat. She examined international arbitration as a system on its own, detached from any particular national legal system on the presumption that arbitration evolves in an emancipated legal regime. This theory postulates that commercial people (the users of the mechanism of arbitration) have led the development of the practice, procedure and law of arbitration (as a type of *lex mercatoria*). It suggests that states and arbitration institutions modify their laws and rules to meet the requirements of the international commercial community. Thus, arbitration is autonomous in nature.[7] This serves as a guide to ascertain the effectiveness of GICAM rules in the resolution of commercial disputes in Cameroon.

3. Legal Instruments Governing Arbitration in Cameroon

These are national, regional, and global instruments on arbitration that the State of Cameroon has enacted, signed, and ratified to help regulate arbitration procedures more especially in conflict arising from commercial disagreement. The legal instruments to be examined in this area will be in respect to arbitration and the settlement of disputes in Cameroon which will range from the national, regional, and global levels.

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[1] *Lex fori* is the latin term for "the law of the court in which a proceeding is brought": see https://www.merriam-webster.com, legal definition of lex fori. Accessed on the 5 august 2021.

[2] Hong-lin Yu. (2008). *A Theoretical Overview of the Foundations of International Commercial Arbitration*, 265.

[3] *Pacta Sunt Servanda* is the Latin term for "agreements must be kept": see I.I. Lukashuk. (2017). *The Principle of Pacta Sunt Servanda and The Nature of Obligation under International Law*. Cambridge University press, p. 2.

[4] See Cie Europeene de Cereals S.A. v. Tradax Export S.A., (1986) 2 Lioyd's Rep. 301 (UK).

[5] See K/S Norjarl A/S v. Hyundai Heavy Industries Co. Ltd., (1991) 3 ALL ER 211 (CA) (U.K).

[6] Hong-lin Yu. (2008). *A Theoretical Overview of the Foundations of International Commercial Arbitration*, 278.

[7] See generally, J Rubellin-Devichi. (1965). *L'arbitrage: Nature juridique: Droit Interne et Droit International Prive,* in Librairie Generale De Droit Et De Jurisprudence, 365.

3.1 National Instruments Regulating Arbitration

Arbitration is a recognized form of dispute resolution in Cameroon and is the most favored procedure of dispute resolution for most commercial enterprise. Interestingly, the Cameroon constitution has stated that duly approved or ratified treaties and international agreements shall be following their publication, override national laws, provided the other party implements the said treaty or agreement.[1] This constitutional provision has made it possible for the state of Cameroon to apply both national, regional, and international laws on arbitration.

3.1.1 The Law Instituting a Judge in Charge of Litigation Related to the Execution of Judgment

This law has helped to fill the gap that existed and resolve the problem pose due to the bi-jurial nature of Cameroon. This gap existed in cases where the question of the competent judge laid down the basic conditions for recognizing a foreign decision that arises. In resolving this lapse, the lawmakers in the Republic of Cameroon enacted *law No. 2003/009 of 10 July 2003* to designate the competent judges stated in the Uniform Act on Arbitration within the framework of the organization for the harmonization of business law in Africa (OHADA) treaty and to lay down circumstances for referring cases to them.[2]

Before the 10 of July 2003, the competent jurisdiction for recognition and an application and enforcement of the foreign arbitral award was practice differently in both the English and French-speaking Region of Cameroon. For example, in the French-speaking region, it was the President of the Court of First Instance or a Magistrate delegated by him that has the competent forum for an application for exequatur for an arbitral award. While in the English speaking Region, recourse was gotten from the Pre 1900 laws from her majesty court of England as stated in section 11 of the Southern Cameroon high Court Rule (SCHCL) of 1955.[3]

However, to regulate arbitration and to unify the procedure for exequatur in the Republic of Cameroon, the authoritative lawmakers enacted *Law No. 2003 of 10 July 2003* whereby, the President of the Court of First Instance or a magistrate delegated by him is competent to hear and decide over an application for exequatur in the Republic of Cameroon.

To facilitate arbitration, the state of Cameroon sort to respect international standards more especially those instituted by the ICSID with regarding the designation of the competent jurisdiction to grant an exequatur for an ICSID award to ensure forceful execution. In complying with this requirement, the Cameroonian legislator enacted *Law No. 75/18 of 18th December 1975* which designated the Supreme Court of Cameroon as the competent court to grant exequatur on ICSID awards because of their judicial execution in Cameroon. Also, law No 2002/ 004 of 19th April 2002 institutes the investment charter in the Republic of Cameroon and stipulates in its section 11, how a state can consent to submit before the ICSID in advance through its investment laws.

3.1.2 The Law Regulating Employment Contracts and Disputes in Cameroon

Settlement of dispute is also governed by the Cameroon Labour Code[4] regulating contract of employment. The labour code regulates the terms of a contract, obligations of the parties in the contract, settlement of labour dispute, and sanctions for breach of contract by either of the contracting parties.[5] The labour code provides for arbitration in its *articles 161 to 165. Section 158 (1)* called on the disputing parties to immediately notify the competent labour and social insurance inspector of the dispute, subsection 4 talks of an amicable settlement between the parties facilitated by the competent labour and social insurance inspector. While subsection 3 sanction any disputing party who fails to be present at the venue. The labour code emphasizes the need for arbitration when the conciliation process fails to resolve a labour dispute and call for an arbitration board to be established in each appeal court of the Republic of Cameroon.[6]

3.2 Regional Instruments Regulating Arbitration

Regional instruments regulating arbitration have been signed and ratified by the Republic of Cameroon, to give effect to the agreement to arbitrate, the organization of the arbitration process, conclusiveness, and enforceability of arbitration awards.

3.2.1 OHADA Uniform Act on Arbitration (UAA)

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[1] See Section 45 of the Cameroon Constitution, 1996.

[2] Law no. 2003/009 of 10 July 2003 as amended by Law No.2007/ 001 of April 2007 to institutes a judge in charge of litigation related to the execution of judgment.

[3] In this regard, the English Arbitration Act 1889 was applicable in Anglophone Cameroon.

[4] Law No. 92/007 of 14 August 1992 relating to the labour Code of the Republic of Cameroon.

[5] *Ibid.*

[6] Article 161 (1) of the Labour Code, 1992.

The Uniform Act on Arbitration is an important legal instrument regulating Commercial Arbitration in Cameroon. The UA on Arbitration covers a variety of rules governing arbitration and remedies such as punitive damages, specific performance, restitution, monetary compensation, injunction, rectification, interest, and cost. It also contains rules of supra-nationalism since it provides for a direct and compulsory application of the UA in the member country and their dominion over the provision of domestic law, whether prior or subsequent. The OHADA UA on Arbitration has instituted rules and procedures on arbitration that member states are supposed to follow. Unfortunately, some of these provisions are not compulsory on states who may choose to apply different rules to apply institutional arbitration. Also, the national law on the arbitration may be applicable instead of the provisions in the UA on Arbitration this is in respect to the advisory opinion of the CCJA that the UA on Arbitration should be interpreted as overriding the current national laws on arbitration but subject to any provision of such national laws that do not contradict the Uniform Act enacted by CCJA Decision of 001/2001/EP, 30th April 2001.

The OHADA Uniform Act on Arbitration further states that the state, as well as state-owned entities, may comprise parties to an arbitration process but without being able to rely on their national regulations to challenge the arbitrability of the dispute. For example, to argue on the capacity to be parties to the arbitration process or challenge the validity of the arbitration agreement. As per the composition of the arbitral tribunal, the UA on Arbitration makes it clear that the tribunal shall be composed of either a sole arbitrator or three arbitrators. According to article 6, only a natural individual may be an arbitrator, the Uniform act also necessitates all arbitrators to be sovereign and neutral as regards the parties. Also, an arbitrator may be a challenge throughout the proceedings if he is perceived as lacking individuality and neutrality. If the parties have not provided for a different process in such a case, the court will give a concluding decision.

3.3 International Instruments Regulating Arbitration in Cameroon

Importantly, the Republic of Cameroon has ratified other legal instruments at the global level, with regards to the settlement of commercial disputes using arbitration such as;

- The Arbitration Rules of UNCITRAL
- The New York Convention on arbitration, and
- The Convention on the Settlement of Investment Disputes between States and Nationals of Other States.

3.4 Institutional Organs Regulating Arbitration in Cameroon

For a proper administration of arbitration, Cameroon has been a party to several institutions aimed at fostering investment activities by providing appropriate disputes settlement provisions. At the national level, the main institutions in consideration in this study are, the Centre de mediation et d'Arbitration de Groupement Inter-patronal du Cameroun (GICAM-CMAG) and Centre of Arbitration and Mediation of the Cameroon Chamber of Commerce, Industry, Mines, and Crafts (CCIMC).

The activities in CMAG are governed by CMAG rules. The creation of the CMAG rules is to serve as a mechanism and guidance in the resolution of business disputes. It has as aim to promote the practice of arbitration and mediation in the business community. This instrument provides the structure and internal rules in the resolution of commercial dispute under CMAG. It also pin points the steps on how the arbitral tribunal is constituted, the aspect of independence and impartiality of arbitrators[1], the seat of the tribunal and the language to be used during the proceedings, and most especially the aspect of confidentiality which runs from the beginning to the end of the proceeding.

3.4.1 Ethical Charter of Arbitrators

The purpose of this charter is to facilitate the smooth running of arbitration proceedings.[2] It is an integral part of the rules binding on the parties when they choose to submit their dispute to CMAG. It is also binding on the arbitrators. CMAG is responsible for ensuring its proper application. Thus, anyone who notices the violation of a principle enacted by this Charter is invited to report it immediately to CMAG. The violation of a provision of this Charter by an arbitrator intervening in the context of an arbitration under the aegis of the CMAG may result, according to the assessment of the Center, the dismissal of this arbitrator in accordance with the provisions of article 10(5) of the arbitration rules and/ or the temporary or definitive withdrawal of the arbitrator from the lists of the Center, without prejudice to any possible legal action.

The guiding principles under this charter is that, the arbitration players or participants must act with conscience, loyalty, diligence, competence, integrity, and courtesy. For arbitrators also falling within a regulated profession,

[1] Article 10(1) of the CMAG Rules, 2019, p. 8.

[2] Appendix 1 of the CMAG Rules, "*Ethical Charter of Arbitration*", 2019.

this Charter applies to them in addition to their professional obligations. The arbitrators intervening in the context of an arbitration conducted under the aegis of the CMAG undertake to ensure respect for the CMAG Arbitration Rules. They must exercise their mission in compliance with the laws and regulations of the State. Under this Charter the following points are examined;

- **Guiding principles:**

Arbitrators must act with conscience, loyalty, diligence, competence, integrity, and courtesy. For arbitrators who also belong to a regulated profession, this charter applies to them in addition to their professional obligations. Arbitrators intervening in the context of an arbitration conducted under the aegis of the CMAG undertake to respect and enforce the Rules of Arbitration of the CMAG. The arbitrators must carry out their mission in compliance with the laws and regulations of the state, particularly in tax matters, and to this end provide all useful documentation to the center.

- **Commitment and competence:**

The arbitrator is in a relationship of trust with the parties who have entrusted him with the task of settling their dispute(s). He is the guarantor of the smooth running of the arbitration procedure. The proposed arbitrator should only accept the mission proposed to him if he has the necessary legal and/ or technical competence with regard to the dispute and if he has ensured of its availability to arbitrate within the time limits provided for by the Arbitration Rules and in any event, within reasonable time limits having regard to the circumstances and the complexity of the dispute, chosen for his personal qualities. He is required to personally accomplish his mission in the arbitration procedure by taking care to avoid an excessive increase in the costs of the arbitration, in particular with regard to the interests at stake. He undertakes to fulfil his mission until its end.

- **Respect for Confidentiality:**

The arbitrator is bound to respect confidentiality in accordance within the terms of the arbitration Rules and, if applicable, the minutes of the scoping meeting provided for in Article 14 of the said Rules.[1] This confidentiality also relates to the very existence of the arbitration procedure. The arbitrator ensures that his conditions o exercise and the means of communication used are capable of ensuring the confidentiality of the arbitration procedure, in particular vis-à-vis his staff, associates and collaborators, permanent and occasional. The arbitrator must not in any way use the information to which he has had access during the proceedings, either to obtain a personal advantage or for the benefit of a third party, or to prejudice anyone.

- **Insurance:**

Arbitrators must take out a liability insurance policy covering their duties as an arbitrator.[2]

- **The Parties:**

The parties owe the arbitrators the same respect that is due to a judge. During the entire course of the arbitration procedure, they refrain from seeking to come into contact with the arbitrator and do not in any way seek to exert on him the slightest influence or pressure, direct or indirect. The parties shall also refrain from any delaying attitude.

The CMAG scrupulously ensures compliance with both this Charter and its Arbitration Rules. In the event of any discrepancy between the two, the provisions of the Arbitration Rules must prevail. It acts in complete independence vis-à-vis the parties and arbitrators, as well as GICAM and its bodies. It does its best to verify the training, competence and integrity of the arbitrators it appoints.[3]

3.4.2 Standard Arbitration Clauses

This Appendix strives to analyze what is an arbitration clause and how it can be usefully supplemented with the following statements specifying;[4]

a) The law applicable to the arbitration agreement;
b) The law applicable to the substance of the dispute;
c) The language applicable to the arbitration procedure;
d) The seat of the arbitral tribunal;
e) The number of arbitrators.

[1] See Article 14(2) of the CMAG Arbitration Rules, 2019, p. 14.

[2] Article 2(4) of the CEMAG Rule, "*Appendix 1 Ethical Charter for Arbitration*", p. 2, 2019.

[3] Article 4 of the CMAG Rule, *"Appendix 1 Ethical Charter for Arbitration"*, p. 3, 2019.

[4] Appendix II of the CMAG Rules, "*Standard Arbitration Clauses"*, 2019.

A Compromise

The compromise is the convention by which the parties to a dispute that has already arisen agree to settle it by means of arbitration. The compromise assumes that the parties had not taken care to provide in their contract recourse to arbitration. Thus, they can refer the matter to CMAG once a dispute has arisen concerning the said dispute.

The Med-Arb Clause

It allows the parties to combine the mediation and arbitration clause. In case of an event of failure of mediation within the time chosen by the parties, they could resort to arbitration.

3.4.3 Arbitration Cost

This instrument analyses the costs of the arbitration, which includes all the costs includes all the costs incurred by the arbitration procedure, namely the costs of examining the request, the fees of the Arbitral Tribunal, the administrative costs of the Center, and any disbursements incurred by the arbitral tribunal and by the Center in the conduct of their mission.[1] They may also include the disbursements of witnesses, the fees and disbursements of experts, as well as the advice of the parties where justified and reasonable, costs relating to the registration and enforcement of the award.

Several rules have been put in place by the GICAM Center of Mediation and Arbitration concerning its costs of arbitration, which is as follows;

- The Center's examination fee is paid by the claimant(s) for the purpose of examining its arbitration claim. In case of a joint claim, each claimant pays an examination fee. It is worth noting that the examination fee not refundable.
- The provision for arbitration costs fixed by the Center is intended to cover the fees of the Arbitral Tribunal as well as its disbursements and the administrative costs of the Center.
- The Center sets the administrative costs for each arbitration according to the scale below or at its discretion for those requests that have not been the subject of a financial estimate. If the circumstances of the case make it exceptionally necessary, the standing committee may set the administrative costs at an amount lower or higher than that resulting from the scale. In addition, the Center may require the payment of additional administrative costs to keep proceedings pending at the joint request of the parties or one of them without objection from the other party.
- The Standing Committee may reduce the remuneration of one or more arbitrators for breach of their duty of diligence. The Center must inform the concerned arbiter(s) in advance and invite him/them to send any remarks within fifteen (15) days.

The issue of arbitration cost or remuneration was seen in the case of *K/S Norjarl A/S v. Hyundai Heavy Industries Co. Ltd*.[2] The court decided that the arbitrators were entitled to reasonable remuneration. This entitlement was based on a trilateral contract between the two parties and the arbitrators. The implied terms of the contract requires arbitrators to conduct the arbitration with due diligence and at a reasonable fee, by using all reasonable means in entering on and proceeding with the reference.

3.4.4 List of Referenced Arbitrators

Appendix IV provides a list of referenced arbitrators at the GICAM Mediation and Arbitration center.[3] This serves as aid to disputing parties who are freed from the stress of searching for arbitrators to serve as adjudicators in their matter.

4. Challenges and Recommendation

4.1 Challenges

Recently, some amendments have been introduced in the sphere of arbitration because to keep pace with changing times, it is necessary to replace old sections which are of no or little relevance in the present times. These changes advanced the process of arbitration as well as brought new challenges with them and it is very necessary to address these challenges as to make arbitration process flow smoothly.

• The main reason behind parties choosing arbitration for dispute resolution is that it gives freedom as parties have the autonomy to choose the arbitrators and the seat of the arbitration. It becomes challenging if the parties

[1] Appendix III of the CMAG Rules, "*Arbitration cost*", 2019.

[2] *K/S Norjarl A/S v. Hyundai Heavy Industries Co. Ltd.,* (1991) 3 ALL ER 211 (CA) (U.K.).

[3] Appendix IV of the CMAG Rules, "*List of Referenced Arbitrators*", 2019.

are ignorant on how to commence the arbitral proceedings which could lead to faulty arbitration clause.

- A challenge coined from time to time is that, arbitration in some international cases becomes a slow and costly process. Although arbitration helps in solving the issue more expediently than court process, in international scenario, here parties from different countries are involved in the case, it tends to move on a slower pace. Most parties are reluctant about the payment of the arbitration fees, especially disputes amongst parties in the same country. This view was also observed by the secretary General of GICAM-CMAG, who propounded that "most parties are not willing pay the arbitration fee as required thus along the line, they either abandon the case or resort to litigation giving rise to several pending cases".
- Enforcement of foreign award is another challenge faced by parties seeking to enforce the foreign award in the ordinary courts. Despite several amendments and judgments on this issue, there is still conflicting views and opinions which makes enforcement of foreign award difficult. Sometimes, the laws of the country which has issued the foreign award and the ordinary court here the award is to be enforced, are so different that it becomes next to impossible to enforce foreign award in the ordinary courts.
- Some arbitrators involve in the arbitration process also lack expertise which can result in faulty awards.

4.1.1 Recommendation

Here, the researcher proposes solutions to the problems raised.

1) Intensive awareness about the existence of the GICAM Mediation and Arbitration Center:

There is an urgent need for the organisation of workshops and if possible a door-to-door awareness about the existence of an arbitral tribunal, in charge of resolving private and international commercial disputes. This will go a long way to create popularity of the institution.

2) Training of arbitrators to specialize on resolving commercial disputes under CMAG:

There is great need to train scholars who have an interest in arbitral institution on resolving specific commercial disputes. This will quench the stress of having a limited number of arbitrators and will thus save time in resolving the dispute. Training should start at school level as opposed to institutional professional courses as is the case with most countries. A good example is the University of Buea which currently offers international commercial arbitration as a course in its Masters of Law Programs.

3) Furthermore, the arbitral institution should be made bilingual or trilingual so that it can provide wider access to many people. The same change should be done to its official documents like the CMAG Rules, for research and study purpose.

4) Opening of more GICAM-CMAG Branches

More so, GICAM should open more agencies in other parts of Cameroon. This will serve as a convenience for people to solve their dispute faster instead of going to Yaoundé or Douala.

5) A statutory body should be created for formulating Rules, Planing and Monitoring the whole ADR System: This researcher greatly proposes that the government creates through the parliament or a presidential decree an institution that will be in charge of supervising the function of ADR practitioners in the various centers in a bid to ensure that they respect the rules of OHADA and the arbitral awards are enforced by the courts.

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Paradigm Academic Press
Law and Economy
ISSN 2788-7049
SEP. 2026 VOL.5, NO.3

The Fight Against Money Laundering Through Shell Companies in Cameroon: A Legal Appraisal

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doi:10.63593/LE.2788-7049.2026.09.005

Abstract

Money laundering through shell companies is a major risk to the integrity of financial systems globally, and Cameroon is exposed to this threat through its economic structure, banking system, and regional position within the Central African Economic and Monetary Community (CEMAC). This article undertakes a legal appraisal of the fight against money laundering through shell companies in Cameroon. The study examines the conceptual and legal nature of shell companies, distinguishing them from related concepts such as shelf companies, nominee companies, and trusts, and analyses the mechanics of money laundering and the role of shell companies in each stage, particularly in layering and integration. The article then systematically examines the Cameroonian legal and institutional framework on anti-money laundering, including CEMAC Regulation 01/CEMAC/UMAC/CM of 16 April 2016 on the prevention and suppression of money laundering and of the financing of terrorism in Central Africa, domestic criminal and financial legislation, and OHADA corporate law, including the Revised Uniform Act of 30 January 2014 on Commercial Companies and Economic Interest Groups. The study identifies significant gaps in the current framework, particularly the absence of explicit regulation of shell companies, limited beneficial ownership transparency, weak enforcement capacity, and inadequate institutional coordination between ANIF, COBAC, and law enforcement agencies. The article further analyses the use of shell companies in money laundering in Cameroon, identifying typologies such as false transactions, layering through multiple corporate structures, asset holding and integration, and loan issuance and financial intermediation. The study notes that these typologies are observed in sectors such as real estate, import–export, public procurement, and banking, and underscores the scarcity of documented case law and official typologies in Cameroon. The findings reveal that while Cameroon has established a foundational anti-money laundering regime, it does not explicitly target shell companies, and significant reforms are needed to strengthen beneficial ownership disclosure, supervision of company formation actors, and enforcement mechanisms. The article proposes legislative reforms to require comprehensive beneficial ownership disclosure and to establish a central registry of beneficial owners, institutional reforms to strengthen the capacity of ANIF, COBAC, and law enforcement agencies, and policy reforms to enhance the supervision of designated non-financial businesses and professions and align Cameroonian anti-money laundering practices with international standards, particularly the FATF Recommendations. This study contributes to Cameroonian anti-money laundering scholarship by foregrounding the specific issue of shell companies as vehicles for money laundering. While existing literature addresses money laundering in Cameroon more broadly, few works focus explicitly on the legal regime governing shell companies and their misuse for illicit financial flows. The findings of this study underscore the need for a comprehensive legal response that addresses incorporation, disclosure, and supervision of corporate vehicles, and that strengthens beneficial ownership transparency and enforcement capacity to reduce the misuse of shell companies for money laundering.

Keywords: money laundering, shell companies, anti-money laundering (AML), Cameroon, CEMAC, OHADA,

beneficial ownership, corporate governance, financial intelligence, legal appraisal

1. Introduction

Money laundering is a process by which criminals disguise the origins of illegally obtained funds, thereby converting illicit money into assets that appear legitimate.[1] This process is typically described in three stages: placement, which involves introducing illicit funds into the financial system; layering, which consists of moving funds through complex transactions to obscure their origin; and integration, which re-introduces laundered funds into the economy as seemingly legitimate assets.[2] Shell companies, which are entities that often have no significant business operations, assets, or employees but exist primarily on paper, are frequently used as vehicles in each of these stages, particularly in layering and integration.[3]

Shell companies are attractive to money launderers because they can obscure the identity of the true owners, known as beneficial owners, facilitate the movement of funds through multiple corporate layers, and create an appearance of legitimacy for otherwise illicit transactions.[4] In many jurisdictions, including Central African states, the ease of incorporating companies, weak beneficial ownership transparency, and limited supervision of company formation actors such as lawyers, notaries, and company formation agents make shell companies particularly vulnerable to misuse for money laundering and other financial crimes.[5]

Cameroon presents unique challenges shaped by the country's economic structure, banking systems, and geographical position within the Central African Economic and Monetary Community (CEMAC).[6] Natural persons convicted of money laundering in Cameroon now face imprisonment of five to fifteen years, fines ranging from five million to five hundred million CFA francs, comprehensive asset forfeiture, and professional disqualification, with aggravated cases potentially leading to up to twenty years imprisonment.[7] Legal entities complicit in money laundering schemes may face fines of up to one billion CFA francs or ten percent of annual revenue, operational restrictions, and mandatory public disclosure of conviction details.[8] Despite these penalties, the practical fight against money laundering remains constrained by weaknesses in enforcement, regulatory coordination, and the transparency of corporate structures.

The legal and institutional framework implemented in Cameroon to combat money laundering includes alignment with international conventions such as the United Nations Convention against Corruption and various national laws that grant universal jurisdiction over money laundering offences.[9] At the regional level, CEMAC Regulation 01/CEMAC/UMAC/CM of 16 April 2016 on the prevention and suppression of money laundering and of the financing of terrorism in Central Africa provides for key anti-money laundering obligations, including Know Your Customer requirements, monitoring of transactions, declaration of suspicion to the National Agency for Financial Investigations and the Banking Commission of Central Africa, and centralization of customer and transaction information.[10] Domestic financial intelligence and supervisory bodies, including ANIF and COBAC, play central roles in the implementation and enforcement of anti-money laundering measures.[11]

However, the current framework does not explicitly focus on shell companies as a specific risk category. CEMAC Regulation 01/CEMAC/UMAC/CM of 2016 prescribes broad anti-money laundering duties for financial institutions and some designated non-financial businesses and professions, but it does not provide a detailed regulatory regime for the incorporation, disclosure, and supervision of corporate vehicles that may function as shell companies.[12] OHADA company law, including the revised Uniform Act of 30 January 2014 on

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[1] United Nations Office on Drugs and Crime. (2009). *The Global Creaming of Money Laundering: A Practical Guide*. UNODC, 12–15.

[2] U.S. Financial Crimes Enforcement Network (FinCEN). (2006). *Potential Money Laundering Risks Related to Shell Companies*. FinCEN Advisory, 1.

[3] FinCEN (2006), 4.

[4] FinCEN (2006), 2–4.

[5] Eversheds Sutherland. (2025). *Global AML Guide – Cameroon*, 1–3.

[6] Kinsmen Advocates. (2025). *Decoding Money Laundering in Cameroon: Expert Insights on the Anti-Money Laundering Landscape*, 3–5.

[7] Kinsmen Advocates (2025), 4.

[8] Kinsmen Advocates. (2025). *Decoding Money Laundering in Cameroon: Expert Insights on the Anti-Money Laundering Landscape*, 3–5.

[9] Kinsmen Advocates (2025), 4.

[10] CEMAC, Regulation 01/CEMAC/UMAC/CM of 16 April 2016 on the prevention and suppression of money laundering and of the financing of terrorism in Central Africa.

[11] Eversheds Sutherland (2025), 2.

[12] *Ibid.*

commercial companies and economic interest groups, contains provisions on corporate disclosure and governance, but its effectiveness in preventing the misuse of shell companies for money laundering is limited by gaps in beneficial ownership transparency and enforcement.[1]

The use of shell companies in money laundering in Cameroon has been observed in sectors such as real estate, import–export, public procurement, and banking. Nevertheless, documented case law and official typologies are scarce, and much of the available information derives from FATF mutual evaluation reports, expert commentaries, and anti-money laundering guidance notes.[2] This scarcity of detailed empirical and judicial data underscores the importance of doctrinal legal analysis supplemented by available policy and expert sources.[3]

This article undertakes a legal appraisal of the fight against money laundering through shell companies in Cameroon. It is guided by the following research questions: what is the conceptual and legal nature of shell companies, and how are they used in the stages of money laundering; what is the content and scope of the Cameroonian legal and institutional framework on anti-money laundering, including CEMAC Regulation 01/CEMAC/UMAC/CM of 2016, domestic legislation, and OHADA company law; how effective is this framework in addressing money laundering through shell companies, and what are the main gaps in terms of beneficial ownership transparency, enforcement, and regulatory coordination; and what legislative, institutional, and policy reforms are needed to strengthen the fight against money laundering through shell companies in Cameroon. The objectives of the study are to clarify the concept and typology of shell companies and their role in money laundering, to analyse the Cameroonian anti-money laundering legal and institutional framework in relation to shell companies, to critically assess the adequacy and effectiveness of this framework, and to propose reform measures to enhance the regulatory response to shell companies as vehicles for money laundering.

The methodology is primarily doctrinal legal research. The study analyses relevant legal instruments, including CEMAC Regulation 01/CEMAC/UMAC/CM of 16 April 2016, domestic criminal and financial legislation, OHADA Uniform Acts on commercial companies, and applicable international standards such as FATF Recommendations. It also draws on FATF mutual evaluation reports, anti-money laundering guidance, and expert commentaries on money laundering in Cameroon.[4] The significance of this study lies in its contribution to Cameroonian anti-money laundering scholarship by foregrounding the specific issue of shell companies as vehicles for money laundering.[5] While existing literature addresses money laundering in Cameroon more broadly, few works focus explicitly on the legal regime governing shell companies and their misuse for illicit financial flows.[6]

2. Conceptualizing Shell Companies

The term “shell company” refers to a business entity that typically exists only on paper, with no significant assets, operations, employees, or physical presence beyond a registered address.[7] Shell companies are often incorporated for legitimate purposes, such as facilitating mergers, holding assets, or managing specific projects, but they have also become a preferred vehicle for money laundering, terrorist financing, and other illicit financial activities due to their ability to obscure the identity of beneficial owners.[8] The key distinguishing feature of a shell company is that it lacks substantive business activity, making it difficult for regulators and financial institutions to verify its genuine economic purpose.[9]

It is important to distinguish shell companies from related concepts such as shelf companies, nominee companies, and trusts. A shelf company is a pre-registered company that has been incorporated but not yet activated, kept “on the shelf” by corporate service providers for quick sale to buyers who wish to avoid the time required for new incorporation.[10] While shelf companies may become shell companies once activated without substantive operations, the term itself refers to the inactive preparatory stage rather than the absence of business

[1] OHADA, Revised Uniform Act of 30 January 2014 on Commercial Companies and Economic Interest Groups.

[2] FATF. (2022). *Republic of Cameroon – Mutual Evaluation Report*. FATF, 45–52.

[3] Eversheds Sutherland (2025), 3; Kinsmen Advocates (2025), 5.

[4] FATF. (2022). *Republic of Cameroon – Mutual Evaluation Report*. FATF, 45–52.

[5] *Ibid.*

[6] Eversheds Sutherland (2025), 3; Kinsmen Advocates (2025), 5.

[7] U.S. Financial Crimes Enforcement Network (FinCEN), *Potential Money Laundering Risks Related to Shell Companies* (FinCEN Advisory 2006) 1.

[8] FinCEN (2006), 2.

[9] FinCEN (2006), 3–4.

[10] Corporate Services International. (2023). *What Is a Shelf Company and How Does It Work?* CSI, 1.

activity.[1] Nominee companies involve individuals or entities holding shares or acting as directors on behalf of the true beneficial owner, creating a layer of separation between the legal and beneficial ownership.[2] Trusts are fiduciary arrangements where a trustee holds assets for the benefit of beneficiaries, often used for asset protection and estate planning, but which can also obscure beneficial ownership when not properly disclosed.[3]

The legal status of shell companies varies across jurisdictions. In some countries, shell companies are not inherently illegal, but their use is subject to heightened scrutiny, particularly when they lack transparency regarding ownership and control.[4] In other jurisdictions, especially those with weak corporate governance frameworks, shell companies may be incorporated with minimal disclosure requirements, facilitating their misuse for illicit purposes.[5] The OHADA Uniform Act on Commercial Companies and Economic Interest Groups, which applies in Cameroon, imposes certain disclosure obligations on companies, but these provisions do not explicitly address shell companies or require comprehensive beneficial ownership registration.[6]

3. Money Laundering and the Role of Shell Companies

Money laundering is the process by which criminals disguise the illicit origin of funds derived from crimes such as corruption, drug trafficking, fraud, and tax evasion, thereby making them appear legitimate.[7] The process is conventionally described in three stages: placement, which involves introducing illicit funds into the financial system, often through cash deposits or purchases; layering, which consists of moving funds through a series of complex transactions, jurisdictions, and financial instruments to obscure their origin; and integration, which re-introduces laundered funds into the economy as seemingly legitimate assets, such as real estate, business investments, or luxury goods.[8]

Shell companies play a critical role in each of these stages, particularly in layering and integration. In the placement stage, shell companies may be used to receive illicit funds through seemingly legitimate transactions, such as false contracts for goods or services, thereby embedding the money in the financial system under the guise of business activity.[9] In the layering stage, shell companies are particularly valuable because they can be used to create multiple layers of transactions, transfer funds between accounts in different jurisdictions, and obscure the link between the original illicit source and the ultimate destination of the funds.[10] The absence of substantive business activity in shell companies makes it difficult for financial institutions and regulators to detect anomalies or verify the legitimacy of transactions.[11]

In the integration stage, shell companies facilitate the re-introduction of laundered funds into the economy by holding assets, such as real estate or business investments, on behalf of the beneficial owner while maintaining anonymity.[12] Shell companies may also be used to issue loans to the beneficial owner, providing a legitimate source of funds for high-value purchases or investments.[13] The use of shell companies in integration is particularly effective in jurisdictions with weak beneficial ownership transparency and limited enforcement of anti-money laundering regulations.

4. Theoretical Framework: Risk-Based Approach and Beneficial Ownership Transparency

The fight against money laundering through shell companies is grounded in two key theoretical concepts: the risk-based approach and beneficial ownership transparency. The risk-based approach, which is central to the FATF Recommendations, requires jurisdictions and financial institutions to identify, assess, and prioritise the

[1] CSI (2023), 2.

[2] Corporate Services International (2023), 3.

[3] Trusts and Foundations International. (2022). *Understanding Trusts and Beneficial Ownership*. TFI, 5.

[4] FinCEN (2006), 5.

[5] Eversheds Sutherland. (2025). *Global AML Guide – Cameroon*, 1–3.

[6] OHADA, Revised Uniform Act of 30 January 2014 on Commercial Companies and Economic Interest Groups, arts 12–15.

[7] United Nations Office on Drugs and Crime. (2009). *The Global Creaming of Money Laundering: A Practical Guide*. UNODC, 12.

[8] UNODC (2009), 13–15.

[9] FinCEN (2006), 6.

[10] FinCEN (2006), 7–8.

[11] FinCEN (2006), 8.

[12] FinCEN (2006), 9.

[13] FinCEN (2006), 10.

risks of money laundering and terrorist financing, and to allocate resources accordingly to mitigate those risks.[1] Under this approach, shell companies are recognised as high-risk entities due to their potential for misuse, and jurisdictions are expected to implement enhanced measures for their incorporation, disclosure, and supervision.[2]

Beneficial ownership transparency refers to the requirement that jurisdictions maintain accurate and up-to-date information on the natural persons who ultimately own or control companies, trusts, and other legal arrangements.[3] This transparency is essential for preventing the misuse of corporate vehicles for money laundering, as it enables regulators, financial institutions, and law enforcement agencies to identify the true owners of assets and transactions.[4] FATF Recommendation 24 specifically requires jurisdictions to ensure that there is adequate, accurate, and up-to-date information on the beneficial ownership and control of legal persons, and that this information is accessible to competent authorities.[5]

In the context of Cameroon, the theoretical framework raises important questions about the adequacy of the current legal regime. While CEMAC Regulation 01/CEMAC/UMAC/CM of 2016 imposes Know Your Customer obligations and requires financial institutions to verify the identity of customers, including corporate entities, it does not explicitly mandate comprehensive beneficial ownership disclosure or establish a central registry of beneficial owners.[6] OHADA company law contains disclosure requirements for companies, but these provisions do not extend to beneficial ownership and are not enforced consistently.[7] The absence of a robust beneficial ownership transparency framework undermines the effectiveness of the risk-based approach and facilitates the misuse of shell companies for money laundering.

5. Typologies of Shell Company Misuse in Money Laundering

The misuse of shell companies in money laundering can be categorised into several typologies, each reflecting different methods and purposes. The first typology is the use of shell companies for false transactions, where shell companies issue contracts for goods or services that are never delivered, enabling the transfer of illicit funds under the guise of legitimate business activity.[8] This typology is particularly common in import–export sectors and public procurement, where large transactions are frequent and oversight may be limited.

The second typology is the use of shell companies for layering through multiple corporate structures, where shell companies are incorporated in different jurisdictions and used to transfer funds between accounts, creating a complex web of transactions that obscures the origin of the funds.[9] This typology is facilitated by jurisdictions with weak corporate governance and limited international cooperation on anti-money laundering matters.

The third typology is the use of shell companies for asset holding and integration, where shell companies hold real estate, business investments, or other assets on behalf of the beneficial owner, enabling the re-introduction of laundered funds into the economy while maintaining anonymity.[10] This typology is particularly common in real estate sectors, where shell companies are used to purchase property without disclosing the identity of the true owner.

The fourth typology is the use of shell companies for loan issuance and financial intermediation, where shell companies issue loans to the beneficial owner, providing a legitimate source of funds for high-value purchases or investments.[11] This typology exploits gaps in financial regulation and the absence of scrutiny over the source of funds for loan issuance.

These typologies illustrate the diverse methods by which shell companies are used in money laundering and underscore the need for a comprehensive legal response that addresses incorporation, disclosure, and supervision

[1] FATF. (2012). *International Standards on Combating Money Laundering and the Financing of Terrorism & Proliferation*. FATF, Recommendation 1.

[2] FATF (2012), Recommendation 10.

[3] FATF (2012), Recommendation 24.

[4] FATF (2012), Recommendation 24.

[5] FATF (2012), Recommendation 24.

[6] CEMAC, Regulation 01/CEMAC/UMAC/CM of 16 April 2016 on the prevention and suppression of money laundering and of the financing of terrorism in Central Africa, art 8.

[7] OHADA Uniform Act (2014), arts 12–15.

[8] FinCEN (2006), 11.

[9] FinCEN (2006), 12–13.

[10] FinCEN (2006), 14.

[11] FinCEN (2006), 15.

of corporate vehicles.

6. The Legal and Institutional Framework on Money Laundering in Cameroon

6.1 Regional Framework: CEMAC Anti-Money Laundering Regulation

The primary legal instrument governing the fight against money laundering in Cameroon is CEMAC Regulation 01/CEMAC/UMAC/CM of 16 April 2016 on the prevention and suppression of money laundering and of the financing of terrorism in Central Africa. This regulation establishes a comprehensive regional framework that applies uniformly across all CEMAC member states, including Cameroon, and imposes key obligations on financial institutions and designated non-financial businesses and professions (DNFBPs).[1] The regulation defines money laundering broadly as any act voluntarily committed with the knowledge that property constitutes, in whole or in part, the direct or indirect product of a criminal offence, and includes activities such as conversion, transfer, concealment, or use of such property.[2]

CEMAC Regulation 01/CEMAC/UMAC/CM of 2016 imposes Know Your Customer (KYC) obligations on financial institutions, requiring them to identify and verify the identity of their customers, including corporate entities, and to understand the nature of the business relationship.[3] The regulation requires financial institutions to monitor transactions and to report suspicious transactions to the National Agency for Financial Investigations (ANIF) and the Banking Commission of Central Africa (COBAC).[4] Financial institutions are also required to maintain records of customer identification and transaction data for at least ten years, and to implement internal controls and employee training programmes to prevent money laundering.[5]

The regulation applies not only to banks and other financial institutions but also to designated non-financial businesses and professions, including real estate agents, notaries, lawyers, accountants, and company formation agents.[6] These DNFBPs are subject to KYC obligations, transaction monitoring, and reporting requirements similar to those imposed on financial institutions.[7] However, the practical implementation of these obligations remains weak, particularly in the legal and corporate services sectors, where confidentiality concerns and limited regulatory oversight undermine compliance.[8]

6.2 Domestic Legal Framework: Criminal and Financial Legislation

Cameroon has enacted domestic legislation that complements CEMAC Regulation 01/CEMAC/UMAC/CM of 2016 and provides for criminal penalties and enforcement mechanisms for money laundering offences. Natural persons convicted of money laundering in Cameroon face imprisonment of five to fifteen years, fines ranging from five million to five hundred million CFA francs, comprehensive asset forfeiture, and professional disqualification, with aggravated cases potentially leading to up to twenty years imprisonment.[9] Legal entities complicit in money laundering schemes may face fines of up to one billion CFA francs or ten percent of annual revenue, operational restrictions, and mandatory public disclosure of conviction details.[10]

The domestic legal framework also provides for universal jurisdiction over money laundering offences, enabling Cameroonian courts to prosecute money laundering cases even where the offence was committed outside Cameroon and involves foreign nationals.[11] This provision is aligned with international conventions such as the United Nations Convention against Corruption and the United Nations Convention against Transnational Organized Crime, to which Cameroon is a party.[12] The framework also includes provisions on asset recovery and forfeiture, allowing authorities to seize and confiscate assets derived from money laundering or used in the

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[1] CEMAC, Regulation 01/CEMAC/UMAC/CM of 16 April 2016 on the prevention and suppression of money laundering and of the financing of terrorism in Central Africa, art 1.

[2] CEMAC Regulation 01/CEMAC/UMAC/CM (2016), art 2.

[3] CEMAC Regulation 01/CEMAC/UMAC/CM (2016), art 8.

[4] CEMAC Regulation 01/CEMAC/UMAC/CM (2016), art 12.

[5] CEMAC Regulation 01/CEMAC/UMAC/CM (2016), arts 14–15.

[6] CEMAC Regulation 01/CEMAC/UMAC/CM (2016), art 3.

[7] CEMAC Regulation 01/CEMAC/UMAC/CM (2016), art 3.

[8] Eversheds Sutherland. (2025). *Global AML Guide – Cameroon*, 2–3.

[9] Kinsmen Advocates. (2025). *Decoding Money Laundering in Cameroon: Expert Insights on the Anti-Money Laundering Landscape*, 4.

[10] *Ibid.*

[11] *The Legal and Institutional Frameworks for Combating Money Laundering in Cameroon* (2021) 7.

[12] FATF. (2022). *Republic of Cameroon – Mutual Evaluation Report*. FATF, 12.

process of money laundering.[1]

Despite these robust statutory penalties, the practical enforcement of anti-money laundering laws remains constrained by institutional weaknesses, limited capacity for financial investigation, and inadequate coordination between law enforcement agencies, ANIF, and COBAC.[2] The scarcity of prosecuted money laundering cases and published judicial decisions underscores the gap between the legislative framework and its implementation.[3]

6.3 Institutional Framework: ANIF, COBAC, and Other Actors

The institutional framework for combating money laundering in Cameroon involves several key actors, each with distinct roles and responsibilities. The National Agency for Financial Investigations (ANIF) is the central financial intelligence unit responsible for receiving, analyzing, and disseminating information on suspicious transactions and money laundering risks.[4] ANIF receives declarations of suspicion from financial institutions and DNFBPs, conducts financial investigations, and shares information with law enforcement agencies and judicial authorities.[5]

The Banking Commission of Central Africa (COBAC) is the regional banking supervisor responsible for overseeing the implementation of anti-money laundering obligations by banks and other financial institutions in CEMAC member states.[6] COBAC conducts inspections, enforces compliance with KYC and transaction monitoring requirements, and imposes sanctions on institutions that fail to meet their anti-money laundering obligations.[7] COBAC also cooperates with ANIF and other national authorities to ensure the effectiveness of the regional anti-money laundering framework.

Other institutional actors include the Ministry of Justice, which is responsible for prosecuting money laundering offences; the General Directorate of Customs, which monitors cross-border movements of cash and precious metals; and the Cameroon Financial Intelligence Unit, which coordinates anti-money laundering efforts at the national level.[8] The effectiveness of these institutional actors is limited by inadequate resources, limited technical capacity, and insufficient coordination mechanisms, which undermine the overall fight against money laundering.[9]

6.4 OHADA Company Law and Corporate Disclosure Requirements

The OHADA Uniform Act on Commercial Companies and Economic Interest Groups of 30 January 2014 governs the incorporation, disclosure, and governance of companies in Cameroon and other OHADA member states.[10] The Uniform Act imposes certain disclosure obligations on companies, including requirements to register with the commercial register, maintain a register of shareholders, and disclose information about directors and authorised representatives.[11] Companies are also required to file annual reports and financial statements with the commercial register, and to make certain information publicly accessible.[12]

However, the OHADA Uniform Act does not explicitly address shell companies or require comprehensive beneficial ownership disclosure.[13] The register of shareholders typically lists legal persons or nominees rather than natural persons who ultimately own or control the company, creating gaps in beneficial ownership transparency.[14] The absence of a central registry of beneficial owners and the limited enforcement of disclosure requirements undermine the effectiveness of OHADA company law in preventing the misuse of corporate

[1] Kinsmen Advocates (2025), 5.

[2] Eversheds Sutherland (2025), 3.

[3] FATF (2022), 45.

[4] Eversheds Sutherland (2025), 2.

[5] Eversheds Sutherland (2025), 2.

[6] CEMAC Regulation 01/CEMAC/UMAC/CM (2016), art 20.

[7] Eversheds Sutherland (2025), 2.

[8] Kinsmen Advocates (2025), 3.

[9] FATF (2022), 48.

[10] OHADA, Revised Uniform Act of 30 January 2014 on Commercial Companies and Economic Interest Groups, art 1.

[11] OHADA Uniform Act (2014), arts 12–15.

[12] OHADA Uniform Act (2014), art 16.

[13] OHADA Uniform Act (2014), arts 12–15.

[14] Eversheds Sutherland (2025), 2.

vehicles for money laundering.[1]

Furthermore, the OHADA Uniform Act does not impose enhanced due diligence obligations on company formation agents, lawyers, or notaries when incorporating companies, nor does it require these actors to verify the identity of beneficial owners.[2] This regulatory gap facilitates the creation of shell companies with minimal disclosure, enabling their misuse for money laundering and other illicit financial activities.[3]

6.5 Alignment with International Standards: FATF Recommendations

Cameroon's anti-money laundering framework is aligned with international standards, particularly the FATF Recommendations on Combating Money Laundering and Terrorist Financing. The FATF Recommendations require jurisdictions to implement a risk-based approach to anti-money laundering, to ensure adequate, accurate, and up-to-date information on beneficial ownership, and to cooperate internationally on anti-money laundering matters.[4] Cameroon's ratification of the United Nations Convention against Corruption and the United Nations Convention against Transnational Organized Crime demonstrates its commitment to international anti-money laundering standards.[5]

However, the FATF Mutual Evaluation Report on Cameroon identifies significant gaps in the implementation of these standards, particularly in relation to beneficial ownership transparency, the supervision of DNFBPs, and the effectiveness of financial investigations and prosecutions.[6] The report notes that Cameroon lacks a central registry of beneficial owners, that company formation agents are not adequately supervised, and that money laundering prosecutions and asset forfeitures remain limited. These gaps undermine the effectiveness of the Cameroonian anti-money laundering framework and facilitate the misuse of shell companies for money laundering.

7. Use of Shell Companies in Money Laundering in Cameroon: Practice and Challenges

7.1 Sectors of Use: Real Estate, Import–Export, Public Procurement, and Banking

The use of shell companies in money laundering in Cameroon is most evident in sectors where large transactions are frequent, oversight may be limited, and anonymity is valuable to illicit actors. The real estate sector is a primary channel for money laundering through shell companies, as shell companies are used to purchase property without disclosing the identity of the true owner.[7] The absence of robust beneficial ownership disclosure in real estate transactions enables launderers to acquire high-value assets under the guise of corporate ownership, thereby integrating illicit funds into the economy while maintaining anonymity.[8] Shell companies in real estate may also be used to lease or sell property, generating seemingly legitimate income that masks the illicit origin of the funds.[9]

The import–export sector is another significant channel for money laundering through shell companies, particularly in trade-based money laundering where shell companies issue false contracts for goods or services that are never delivered.[10] Shell companies may be used to over-price or under-price imports and exports, transferring illicit funds across borders under the guise of legitimate trade transactions.[11] The complexity of cross-border trade, the volume of transactions, and limited customs oversight make the import–export sector vulnerable to misuse by shell companies for money laundering.[12]

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[1] FATF (2022), 50.

[2] Eversheds Sutherland (2025), 2.

[3] FATF (2022), 50.

[4] FATF. (2012). *International Standards on Combating Money Laundering and the Financing of Terrorism & Proliferation*. FATF, Recommendation 1, 24.

[5] FATF (2022), 12.

[6] FATF (2022), 45–52.

[7] Prof. Sone Patience Munge, Ntoko Ntonga Rene, Prof. Mikano Emmanuel Kiye, & Dr. Enow Godwill Baiye. (2024). *Law and Economy*, 10–12.

[8] Kinsmen Advocates. (2025). *Decoding Money Laundering in Cameroon: Expert Insights on the Anti-Money Laundering Landscape*, 5.

[9] Real Estate and Money Laundering in Cameroon (2024), 12.

[10] U.S. Financial Crimes Enforcement Network (FinCEN). (2006). *Potential Money Laundering Risks Related to Shell Companies*. FinCEN Advisory, 11.

[11] FinCEN (2006), 12.

[12] FATF. (2022). *Republic of Cameroon – Mutual Evaluation Report*. FATF, 48.

Public procurement is a sector where shell companies are frequently used to launder funds derived from corruption, fraud, and kickbacks.[1] Shell companies may be used to submit bids for government contracts, receive payments for services that are never delivered, and transfer funds to the beneficial owner through seemingly legitimate procurement transactions.[2] The lack of transparency in public procurement processes, limited oversight of contractor identity, and weak enforcement of anti-corruption measures facilitate the misuse of shell companies in this sector.[3]

The banking sector is also implicated in money laundering through shell companies, as shell companies maintain bank accounts, receive and transfer funds, and issue loans to beneficial owners.[4] Financial institutions may fail to adequately verify the identity of beneficial owners of corporate account holders, enabling shell companies to open accounts and conduct transactions without triggering suspicious transaction reports.[5] Weak Know Your Customer compliance, limited transaction monitoring, and inadequate supervision of DNFBPs further undermine the effectiveness of anti-money laundering measures in the banking sector.[6]

7.2 Typologies and Case Illustrations

The misuse of shell companies in money laundering in Cameroon can be categorised into distinct typologies, each reflecting different methods and purposes. The first typology is the use of shell companies for false transactions, where shell companies issue contracts for goods or services that are never delivered, enabling the transfer of illicit funds under the guise of legitimate business activity.[7] This typology is particularly common in import–export sectors and public procurement, where large transactions are frequent and oversight may be limited. Shell companies may issue invoices for phantom goods, receive payments from government agencies or private buyers, and transfer the funds to the beneficial owner through multiple transactions.

The second typology is the use of shell companies for layering through multiple corporate structures, where shell companies are incorporated in different jurisdictions and used to transfer funds between accounts, creating a complex web of transactions that obscures the origin of the funds.[8] This typology is facilitated by jurisdictions with weak corporate governance and limited international cooperation on anti-money laundering matters. Shell companies may be used to transfer funds between accounts in Cameroon, CEMAC member states, and other jurisdictions, creating layers of transactions that make it difficult for regulators and law enforcement to trace the origin of the funds.

The third typology is the use of shell companies for asset holding and integration, where shell companies hold real estate, business investments, or other assets on behalf of the beneficial owner, enabling the re-introduction of laundered funds into the economy while maintaining anonymity.[9] This typology is particularly common in real estate sectors, where shell companies are used to purchase property without disclosing the identity of the true owner. Shell companies may hold property titles, lease or sell property, and generate income that appears legitimate, thereby integrating laundered funds into the economy.

The fourth typology is the use of shell companies for loan issuance and financial intermediation, where shell companies issue loans to the beneficial owner, providing a legitimate source of funds for high-value purchases or investments.[10] This typology exploits gaps in financial regulation and the absence of scrutiny over the source of funds for loan issuance. Shell companies may issue loans to the beneficial owner, who then uses the funds to purchase real estate, invest in businesses, or acquire luxury goods, thereby integrating laundered funds into the economy under the guise of legitimate financing.

While documented case law and official typologies are scarce in Cameroon, expert commentaries and FATF mutual evaluation reports indicate that these typologies are observed in practice.[11] Real estate and money

[1] Kinsmen Advocates (2025), 5.

[2] FATF (2022), 48.

[3] Eversheds Sutherland. (2025) *Global AML Guide – Cameroon*, 3.

[4] FinCEN (2006), 9.

[5] Eversheds Sutherland (2025), 3.

[6] FATF (2022), 49.

[7] FinCEN (2006), 11.

[8] FinCEN (2006), 12–13.

[9] FinCEN (2006), 14.

[10] FATF (2022), 45–52.

[11] FinCEN (2006), 15.

laundering cases in Cameroon have been documented in academic literature, illustrating the use of shell companies to purchase property and integrate illicit funds.[1] FATF mutual evaluation reports note that money laundering prosecutions and asset forfeitures remain limited, underscoring the gap between the legislative framework and its implementation.[2]

7.3 Compliance Weaknesses: KYC, Beneficial Ownership Transparency, and Enforcement Capacity

The effectiveness of the fight against money laundering through shell companies in Cameroon is undermined by significant compliance weaknesses in Know Your Customer obligations, beneficial ownership transparency, and enforcement capacity. Know Your Customer obligations under CEMAC Regulation 01/CEMAC/UMAC/CM of 2016 require financial institutions to identify and verify the identity of customers, including corporate entities. However, the practical implementation of KYC obligations remains weak, particularly in relation to corporate account holders where beneficial owners are not adequately verified.[3] Financial institutions often rely on the legal identity of the company rather than the natural persons who ultimately own or control it, enabling shell companies to open accounts and conduct transactions without triggering suspicious transaction reports.

Beneficial ownership transparency is a critical weakness in the Cameroonian anti-money laundering framework. The OHADA Uniform Act on Commercial Companies and Economic Interest Groups requires companies to maintain a register of shareholders, but this register typically lists legal persons or nominees rather than natural persons who ultimately own or control the company.[4] There is no central registry of beneficial owners, and the disclosure requirements do not extend to beneficial ownership.[5] This regulatory gap facilitates the creation of shell companies with minimal disclosure, enabling their misuse for money laundering and other illicit financial activities.[6] FATF mutual evaluation reports note that Cameroon lacks a central registry of beneficial owners, and that company formation agents are not adequately supervised, resulting in significant gaps in beneficial ownership transparency.[7]

Enforcement capacity is another significant weakness that undermines the effectiveness of the fight against money laundering through shell companies. ANIF, COBAC, and law enforcement agencies face inadequate resources, limited technical capacity for financial investigation, and insufficient coordination mechanisms.[8] The scarcity of prosecuted money laundering cases and published judicial decisions underscores the gap between the legislative framework and its implementation. FATF mutual evaluation reports note that money laundering prosecutions and asset forfeitures remain limited, and that the effectiveness of financial investigations is constrained by institutional weaknesses.[9]

Weak enforcement is particularly evident in the supervision of DNFBPs, including company formation agents, lawyers, notaries, and accountants. CEMAC Regulation 01/CEMAC/UMAC/CM of 2016 imposes KYC obligations and reporting requirements on DNFBPs, but these obligations are not enforced consistently.[10] Confidentiality concerns and limited regulatory oversight undermine compliance, enabling shell companies to be incorporated with minimal disclosure and reduced scrutiny.[11] The absence of enhanced due diligence obligations for company formation agents and the lack of supervision over their activities facilitate the creation of shell companies for money laundering.

7.4 Regulatory and Institutional Coordination Challenges

The fight against money laundering through shell companies in Cameroon is further undermined by regulatory and institutional coordination challenges. ANIF, COBAC, the Ministry of Justice, and other institutional actors operate with limited coordination mechanisms, resulting in gaps in information sharing, enforcement, and policy

[1] Real Estate and Money Laundering in Cameroon (2024), 10–12.

[2] FATF (2022), 45.

[3] Eversheds Sutherland (2025), 3.

[4] OHADA, Revised Uniform Act of 30 January 2014 on Commercial Companies and Economic Interest Groups, arts 12–15.

[5] Eversheds Sutherland (2025), 2.

[6] FATF (2022), 50.

[7] FATF (2022), 50.

[8] Eversheds Sutherland (2025), 3.

[9] FATF (2022), 45.

[10] CEMAC Regulation 01/CEMAC/UMAC/CM (2016), art 3.

[11] Eversheds Sutherland (2025), 2.

implementation.[1] ANIF receives declarations of suspicion from financial institutions and DNFBPs, conducts financial investigations, and shares information with law enforcement agencies and judicial authorities, but the effectiveness of this process is limited by inadequate coordination and information sharing.[2]

COBAC is responsible for overseeing the implementation of anti-money laundering obligations by banks and other financial institutions in CEMAC member states, but its enforcement capacity is constrained by limited resources and technical capacity.[3] The coordination between COBAC and ANIF is essential for ensuring the effectiveness of the regional anti-money laundering framework, but gaps in information sharing and enforcement undermine this coordination.[4]

The Ministry of Justice is responsible for prosecuting money laundering offences, but the scarcity of prosecuted money laundering cases and published judicial decisions underscores the gap between the legislative framework and its implementation.[5] The limited capacity for financial investigation, inadequate coordination between law enforcement agencies, and insufficient training on money laundering investigations constrain the effectiveness of prosecutions.[6]

International cooperation is also essential for combating money laundering through shell companies, as shell companies may be incorporated in different jurisdictions and funds may be transferred across borders.[7] Cameroon's alignment with international conventions such as the United Nations Convention against Corruption and the United Nations Convention against Transnational Organized Crime demonstrates its commitment to international anti-money laundering standards, but the practical implementation of international cooperation remains limited.[8] The lack of effective mechanisms for cross-border information sharing, asset recovery, and joint investigations undermines the fight against money laundering through shell companies.

8. Critical Appraisal of the Legal Response and Reform Proposals

8.1 Normative Adequacy: Explicit Treatment of Shell Companies

The current Cameroonian anti-money laundering framework did not explicitly target shell companies as a specific risk category. CEMAC Regulation 01/CEMAC/UMAC/CM of 16 April 2016 prescribes broad anti-money laundering duties for financial institutions and designated non-financial businesses and professions, but it does not provide a detailed regulatory regime for the incorporation, disclosure, and supervision of corporate vehicles that may function as shell companies.[9] The regulation requires Know Your Customer obligations and transaction monitoring, but these provisions are insufficient to address the specific risks posed by shell companies, which often lack substantive business activity and beneficial ownership transparency.

OHADA company law, including the Revised Uniform Act of 30 January 2014 on Commercial Companies and Economic Interest Groups, contains provisions on corporate disclosure and governance, but these provisions do not extend to beneficial ownership and are not enforced consistently.[10] The register of shareholders typically lists legal persons or nominees rather than natural persons who ultimately own or control the company, creating gaps in beneficial ownership transparency.[11] The absence of a central registry of beneficial owners and the limited enforcement of disclosure requirements undermine the effectiveness of OHADA company law in preventing the misuse of corporate vehicles for money laundering.

8.2 Enforcement and Institutional Coordination Problems

The effectiveness of the fight against money laundering through shell companies in Cameroon is undermined by significant enforcement and institutional coordination problems. ANIF, COBAC, the Ministry of Justice, and

[1] Kinsmen Advocates (2025), 3.

[2] CEMAC, Regulation 01/CEMAC/UMAC/CM of 16 April 2016 on the prevention and suppression of money laundering and of the financing of terrorism in Central Africa, art 8.

[3] Eversheds Sutherland (2025), 2.

[4] Eversheds Sutherland (2025), 2

[5] FATF (2022), 45.

[6] Eversheds Sutherland (2025), 3.

[7] FATF (2022), 12.

[8] FATF (2022), 12.

[9] Eversheds Sutherland. (2025). *Global AML Guide – Cameroon*, 2.

[10] OHADA, Revised Uniform Act of 30 January 2014 on Commercial Companies and Economic Interest Groups, arts 12–15.

[11] Eversheds Sutherland (2025), 2.

other institutional actors operate with limited coordination mechanisms, resulting in gaps in information sharing, enforcement, and policy implementation.[1] ANIF receives declarations of suspicion from financial institutions and DNFBPs, conducts financial investigations, and shares information with law enforcement agencies and judicial authorities, but the effectiveness of this process is limited by inadequate coordination and information sharing.[2]

COBAC is responsible for overseeing the implementation of anti-money laundering obligations by banks and other financial institutions in CEMAC member states, but its enforcement capacity is constrained by limited resources and technical capacity.[3] The coordination between COBAC and ANIF is essential for ensuring the effectiveness of the regional anti-money laundering framework, but gaps in information sharing and enforcement undermine this coordination.[4] The Ministry of Justice is responsible for prosecuting money laundering offences, but the scarcity of prosecuted money laundering cases and published judicial decisions underscores the gap between the legislative framework and its implementation.[5]

Enforcement capacity is further constrained by inadequate resources, limited technical capacity for financial investigation, and insufficient training on money laundering investigations.[6] The FATF Mutual Evaluation Report on Cameroon notes that money laundering prosecutions and asset forfeitures remain limited, and that the effectiveness of financial investigations is constrained by institutional weaknesses.[7]

8.3 Alignment or Gaps vis-à-vis FATF Recommendations

Cameroon's anti-money laundering framework is aligned with international standards, particularly the FATF Recommendations on Combating Money Laundering and Terrorist Financing.[8] The FATF Recommendations require jurisdictions to implement a risk-based approach to anti-money laundering, to ensure adequate, accurate, and up-to-date information on beneficial ownership, and to cooperate internationally on anti-money laundering matters. Cameroon's ratification of the United Nations Convention against Corruption and the United Nations Convention against Transnational Organized Crime demonstrates its commitment to international anti-money laundering standards.[9]

However, the FATF Mutual Evaluation Report on Cameroon identifies significant gaps in the implementation of these standards, particularly in relation to beneficial ownership transparency, the supervision of DNFBPs, and the effectiveness of financial investigations and prosecutions. The report notes that Cameroon lacks a central registry of beneficial owners, that company formation agents are not adequately supervised, and that money laundering prosecutions and asset forfeitures remain limited.[10] These gaps undermine the effectiveness of the Cameroonian anti-money laundering framework and facilitate the misuse of shell companies for money laundering.

8.4 Reform Proposals

To strengthen the fight against money laundering through shell companies in Cameroon, several legislative, institutional, and policy reforms are needed. First, the State should consider adopting a strategic anti-money laundering policy that explicitly addresses shell companies as a high-risk category and clarifies the objectives, scope, and expectations for regulating corporate vehicles. This policy should require enhanced due diligence for the incorporation of companies, including verification of beneficial ownership and assessment of the economic purpose of the company.

Second, legislative interpretative work should be undertaken to clarify the legal status of beneficial ownership obligations within existing frameworks, including CEMAC Regulation 01/CEMAC/UMAC/CM of 2016,

[1] Kinsmen Advocates. (2025). *Decoding Money Laundering in Cameroon: Expert Insights on the Anti-Money Laundering Landscape*, 3.

[2] Eversheds Sutherland (2025), 2.

[3] Eversheds Sutherland (2025), 2.

[4] Eversheds Sutherland (2025), 2.

[5] FATF. (2022). *Republic of Cameroon – Mutual Evaluation Report.* FATF, 45.

[6] Eversheds Sutherland (2025), 3.

[7] FATF (2022), 45.

[8] FATF. (2012). *International Standards on Combating Money Laundering and the Financing of Terrorism & Proliferation*. FATF, Recommendations 1, 24.

[9] FATF (2022), 12.

[10] FATF (2022), 45–52.

domestic criminal and financial legislation, and OHADA Uniform Acts on commercial companies.[1] OHADA should be amended to require comprehensive beneficial ownership disclosure, including the registration of natural persons who ultimately own or control companies, and to establish a central registry of beneficial owners accessible to competent authorities.[2]

Third, enforcement mechanisms for existing laws and regulations relating to money laundering should be reinforced, and the capacity of ANIF, COBAC, and law enforcement agencies should be strengthened through increased resources, technical training, and improved coordination mechanisms.[3] The FATF Mutual Evaluation Report recommends that Cameroon enhance the effectiveness of financial investigations and prosecutions, and that it improve coordination between institutional actors.[4]

Fourth, the alignment of Cameroonian anti-money laundering practices with international standards, such as the FATF Recommendations, should be strengthened to enhance coherence and credibility.[5] This includes implementing enhanced measures for the supervision of DNFBPs, including company formation agents, lawyers, notaries, and accountants, and requiring these actors to verify the identity of beneficial owners when incorporating companies.[6]

Fifth, the codification of anti-money laundering policies and the introduction of mandatory corporate disclosure requirements for businesses may provide additional mechanisms to encourage and compel enterprises to prioritize transparency and accountability. Mandatory disclosure of beneficial ownership in corporate registries, annual reporting of beneficial ownership information, and public access to beneficial ownership data would enhance transparency and reduce the risk of misuse of shell companies for money laundering.

9. Conclusion

This article has undertaken a legal appraisal of the fight against money laundering through shell companies in Cameroon. The study has demonstrated that while Cameroon has established a foundational anti-money laundering regime, it does not explicitly target shell companies, and significant reforms are needed to strengthen beneficial ownership disclosure, supervision of company formation actors, and enforcement mechanisms. The current framework is constrained by gaps in beneficial ownership transparency, weak enforcement capacity, and inadequate institutional coordination, which facilitate the misuse of shell companies for money laundering.

The study recommends legislative reforms to require comprehensive beneficial ownership disclosure and to establish a central registry of beneficial owners. It also recommends institutional reforms to strengthen the capacity of ANIF, COBAC, and law enforcement agencies, and policy reforms to enhance the supervision of DNFBPs and align Cameroonian anti-money laundering practices with international standards. Through these measures, shell companies can be regulated more effectively, and their misuse for money laundering can be reduced.

This study contributes to Cameroonian anti-money laundering scholarship by foregrounding the specific issue of shell companies as vehicles for money laundering. While existing literature addresses money laundering in Cameroon more broadly, few works focus explicitly on the legal regime governing shell companies and their misuse for illicit financial flows. The findings of this study underscore the need for a comprehensive legal response that addresses incorporation, disclosure, and supervision of corporate vehicles, and that strengthens beneficial ownership transparency and enforcement capacity.

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FATF. (2022). *Republic of Cameroon – Mutual Evaluation Report*. FATF, 12, 45, 48, 45–52.

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[1] CEMAC, Regulation 01/CEMAC/UMAC/CM of 16 April 2016 on the prevention and suppression of money laundering and of the financing of terrorism in Central Africa, art 8.

[2] OHADA Uniform Act (2014), arts 12–15.

[3] Eversheds Sutherland (2025), 3.

[4] FATF (2022), 48.

[5] FATF (2022), 12.

[6] FATF (2022), 50.

Laundering Landscape, 3–5.

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Paradigm Academic Press
Law and Economy
ISSN 2788-7049
SEP. 2026 VOL.5, NO.3

Negotiation: The Pillar of Dispute Settlement in Diplomacy

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doi:10.63593/LE.2788-7049.2026.09.006

Abstract

We cannot conveniently discuss the issue of dispute settlement in international politics without exploring the concept of Negotiation. Negotiation is the most important function which is performed by the diplomatic agents (i.e. Ambassadors, Consular agents, Envoys etc). Generally, the head of the diplomatic mission negotiates on various aspects of, on behalf of the sending state with the state to which they are accredited in order to maintain friendly relationship or settle disputes. Diplomatic negotiations explore channels and discussions between parties to a conflict in order to resolve differences and prevent the outbreak of conflict. Negotiation between States is one of the conventional methods of dispute settlement. It basically involves two or more states who through their diplomatic channels (foreign offices) enter into negotiation. Art. 2(3) of the United Nations (UN) charter states that "all members shall settle their international disputes by peaceful means in such a manner that international peace and Security and justice are not endangered." This paper examines the dynamics of negotiation and how it helps in resolving disputes amongst parties when they occur especially in international scene. The paper adopted doctrinal method where the relevant primary and Secondary Sources were used. It was found that negotiations as a conventional method of resolving international disputes, is effective as it provides the platform for states (big or small) to ventilate their feelings. Though it has been criticized for excessive publicity and power politics. It concluded that negotiation empowered parties themselves to steer the process and sharpen its outcome to deliver mutually acceptable settlement. It can either be through direct negotiation or institutional negotiations. It recommends that states should adopt the option of Alternative Dispute Resolution (ADR) first when dispute arises between them. States involved in dispute should submit themselves to the methods of negotiation or other forms such as enquiry, mediation, conciliation, arbitration as stipulated in Art. 33 of the United Nations Charter.

Keywords: negotiation, pillar, dispute, settlement, diplomacy

1. Introduction

Negotiation is the most Common diplomatic methods which States use for settlement of their disputes. Art. 33 of the United Nations Charter states thus:

1) The parties to any dispute, the continuance of which is likely to endanger the maintenance of international peace and Security, shall, first of all, seek a solution by negotiation, enquiry, mediation, conciliation, arbitration, judicial settlement, resort to regional agencies or arrangements, or other Peaceful means of their own choice.
2) The Security Council shall, when it deems necessary, call upon the parties to settle their Dispute by such means.

It is noteworthy that this is basically the legal basis for preventive diplomacy. Negotiation, as a conventional method of dispute Settlement, involves two or more states who through their diplomatic channels (foreign offices) enter into talks; negotiation. It is per excellence the pursuit of agreement by Compromise and required

direct Contact. Diplomats are by definition negotiators. The art of negotiation is done by diplomats who are engaged in Negotiation.[1]

The challenging duties of diplomats which were the drafting of wide range of bilateral and multi-lateral agreements embodied in treaties, Conventions, protocols of political and economic nature is gradually reduced because of the development of easy Communication and the increasing resort to multi-lateral diplomacy. Today, most agreements between States are multilateral in nature and uses negotiation.[2] Negotiation is assumed the simplest mode of peaceful resolution of conflict. This is because it directly involves the parties to a conflict in the procedure. Negotiation directs the course of solving conflict to the area of parties' divergent views or at least understanding the difference in the position of parties concerned. It does not involve third parties or at least in the very first stage. Negotiation ensures a continuing dialogue between foreign states or parties in a conflict within a state. It is usually the prima facie for resolving Conflict before using other means as the parties decide first how to be resolved. Most time, in negotiation, position of parties are narrowed down because resolution depends on how to bridge the gap between parties and the ability skill of the diplomats involved. States and parties involved in conflicts, conduct negotiation mostly through their permanent diplomatic mission with written documents through the office of the Foreign Affairs Ministry or through political representative and Spokesperson or accredited agents in interstate affairs conflict. In Contemporary time, negotiation dominates all spheres of international life especially in multi-lateral relations among states and parties. Whether negotiations between states would be successful or not or would eventually lead to compromise or agreement between states depends on the determination, goodwill and readiness of the parties. To Supplement the determination and readiness of the states towards peaceful means of dispute settlement, Art. 2(3) of the United Nations Charter states that "All members shall settle their international disputes by peaceful means in such a manner that international peace and Security and justice are not endangered."

It is interesting to note that negotiations which are a symbol of bilateralism have been recommended by the United Nations (UN). In 1946, the UN advised Iran and Soviet Union Governments to negotiate and report to it about the peaceful Settlement to their dispute. Sometime back, the United States and Cuba reached a pact through negotiations for Surrender of hijackers by Cuba to the United States. The UN also advised India and Bangladesh for bilateral negotiation over the Farrakka Barrage in December, 1975. Finally, they reached an interim agreement through negotiations in September, 1977. The negotiations continued till the final agreement. In 1990, the UN Security Council advised Iraq and Kuwait to sort out their differences through negotiations vide Resolution 660.

Umozurike[3] noted that the parties to a dispute may negotiate directly either through regular officials or officials Specially designated. Friendly intervention by third parties may take the form of good offices. The third party who could be a head of state or other respected person, brings the disputants together to negotiate their differences.

Negotiations should be carried out in good faith while underscoring the importance of maintaining a constructive atmosphere during the negotiation process and the need for parties to refrain from engaging in conduct detrimental to the progress of the exercise.

2. The Nature of Negotiation

Negotiation Can be divided into four (4) phases: pre-negotiation, Conceptualization, bargaining and Settlement. Pre-negotiation involves identification of parties, detection of mutual interest and Selection of a forum for Communication. Conceptualization identifies the position of each parties and the subject matter of the dispute. The bargaining phase is where parties discuss their positions and negotiate the terms and conditions which will lead to a solution. The last stage is reaching an agreement. Negotiation empowers the parties themselves to steer the Process and sharpen its outcome to deliver mutually acceptable Settlement.[4] Where states Cannot reach agreement through direct negotiation, they may decide on using institutional negotiations which are formed through the mixed or joint Commissions.[5]

Looking at negotiation closely, it shows that the concept involves Providing international instrument or legal frameworks for Consultation and Communication. The example of Consultation is seen in the Case of *Australia*

[1] N D Palmer and H C Perkins. (1985). *International Relations* (3rd edn). CBS Publishers & Distributors, 85.

[2] M N Shaw. (1977). *International Law* (1st edn). Teach Yourself Books, 721.

[3] U O Umozurike. (1993). *Introduction to International Law*. Ibadan: Spectrum law Publishing, 181.

[4] R Mani and R Ponzo. (2007). Peaceful Settlement of Disputes and Conflict Prevention, in *The Oxford Handbook of the United Nations* (1st edn). Oxford University Press, 303-322.

[5] *Ibid.*

v New Zealand[1] and free trade agreement of 31st August, 1963. An example of Communication is the US-Soviet memorandum of understanding of 20th June, 1963 in Geneva for a direct Communication link called "hot line" between Washington and Moscow in the case of Crisis.

Negotiations may be open or secret or both. They may be short or long as in the case of negotiations which temporarily suspended the Vietnamese war in 1973. As nations like to settle their disputes through negotiations, it may be preceded by correspondence and/or commission of inquiry to ascertain facts and sort out points of differences between the disputing nations. In other cases, negotiations are undertaken between plenipotentiaries to be formalized at Foreign Ministers level or Summit Conference between the nations. For instance, this happened when the Iceland and British Prime Minister met in London in September, 1973 to settle their dispute regarding unilateral extension of fisheries Zone by Iceland from 12-50 miles in September 1972.[2]

Negotiation is bilateralism in nature because it involves resolving disputes among two or more parties. It is the central tool of diplomacy; shows how states pursue interests without resorting to force, as Art. 33 of the UN charter emphasizes. The Core nature of Diplomatic negotiation lies in its Continuous, iterative exchange of proposals, concessions and clarifications. It is not a single meeting. Negotiation involves power politics, international law and technical details. For example, climate change talks, Science, finance, Sovereignty etc. Negotiation is interest-based and not position-based. Skilled diplomats move from rigid "Position's" to underlying "interests" to find a targeted possible agreement. In a nutshell, the purpose of negotiation is to reconcile conflicting interests peacefully while its goal is to achieve mutually acceptable outcome, not winning like in litigation. The actors involved in negotiation are states primarily. However, International Organizations (IOs), Non-Governmental Organizations (NGOs), non-State armed groups are included. Negotiators have limited authority — 'no mandate, no deal' principle. It is interesting to add that negotiation can be done in a most informal Setting like Corridors, dinners, retreats. This is because Diplomacy relies heavily on informality to build trust.

3. The Role of Negotiation in Dispute Settlement

Negotiation is unarguably the oldest dispute settlement mechanism known to man. It is understood as a process where two or more parties interact with each other to accommodate their conflicting interests with the aim of finding a mutually acceptable solution. It is one of the means of dispute settlement mentioned in Article 33 of the UN Charter and is usually considered to be the first stage of any dispute settlement exercise. As a cost-effective method of dispute settlement, negotiation also affords considerable flexibility to the parties at the same time assuring them of control of the process as well while remaining the least technical of all dispute settlement mechanisms. In international relations, the concept of negotiation is understood in three senses. Firstly, to discuss issues of mutual interest. Secondly, as a means for the codification and progressive development of international law and lastly, as a means for the settlement of disputes. In this brief, the term negotiation is being used in the last context. The United Nations General Assembly Resolution 53/101 on Principles and Guidelines for International Negotiations provides a generic, non-exhaustive framework for the conduct of negotiations useful for the suitable conduct of the process in line with Articles 2 (3) and 33 of the UN Charter. Among other aspects, the resolution highlights that negotiations should be carried out in good faith while underscoring the importance of maintaining a constructive atmosphere during the negotiation process and the need for parties to refrain from engaging in conduct detrimental to the progress of the exercise. Consultation and exchange of views are similar to negotiations and involve deliberate negotiated efforts in arriving at a solution to disputes and the avoidance of disputes. Exchange of views can be viewed as being part of the broader process of negotiation or a stepping stone for the resort to other dispute settlement mechanisms as with Article 283 (1) of the United Nations Convention on the Law of the Sea, 1982 which provides that the parties to a dispute shall proceed expeditiously to an exchange of views regarding its settlement by negotiation or other peaceful means. However, there exist provisions in treaties, which provide for binding negotiation. Article 4 (3) of the Dispute Settlement Understanding of the World Trade Organization (WTO) provides for binding consultations to be carried out in good faith on the requirement of the other party. In this regard, a specific time framework for consultation is also provided for the process. Parties to a dispute are normally required to engage in negotiation before resorting to arbitration or judicial settlement. It is also possible for International Courts to mandate the need for negotiations in certain scenarios. Significantly, the ICJ has encouraged parties to resort to negotiations even during the pendency of proceedings in what stands testimony to the importance and lasting relevance of negotiations as a primary dispute settlement mechanism between States. Negotiation has been a pivotal tool in resolving international conflicts, with several recent instances demonstrating its efficacy. There are notable examples where diplomatic negotiations have led to conflict resolution among nations. In Ethiopia–Tigray Peace

[1] ICJ Rep (1974) 457.

[2] (n3) 181.

Agreement (2022)[1], after two years of civil war, the Ethiopian government and the Tigray People's Liberation Front (TPLF) signed a peace agreement on November 2, 2022, in Pretoria, South Africa. Mediated by the African Union, the agreement included a permanent cessation of hostilities, disarmament of Tigrayan forces, and restoration of federal authority in the Tigray region. Subsequent talks in Nairobi detailed implementation steps, including humanitarian access and transitional justice measures. Similarly, in Israeli–Lebanese Maritime Border Agreement (2022)[2], Israel and Lebanon, technically at war since 1948, resolved a long-standing maritime border dispute in October 2022. U.S.-mediated negotiations led to an agreement delineating maritime boundaries, allowing both nations to exploit offshore gas fields. This marked a significant diplomatic achievement, reducing regional tensions and opening avenues for economic cooperation. And in Armenia–Azerbaijan Border Negotiations (2023–2024)[3], which is ongoing tensions between Armenia and Azerbaijan have seen renewed diplomatic efforts. In May 2023, U.S. facilitated talks in Washington indicated progress toward a peace agreement. By April 2024, Armenia agreed to return four villages to Azerbaijan, with both countries committing to border demarcation based on the Alma-Ata Declaration. These steps have been welcomed by international actors as moves toward lasting peace.

4. Advantages of Negotiation

Negotiation which is akin to Diplomacy has been a veritable tool for diplomats involved actively in international relations. Negotiations have helped to reduce the challenging duties of diplomats involved in drafting wide range of bilateral and multilateral agreements (treaties) because of the development of easy Communication and the increasing resort to multi-lateral diplomacy. It is the simplest mode of peaceful resolution of Conflict mechanism. This is because it directly involves the parties to the Conflict in the procedure. Negotiation helps to ensure a continuing dialogue between foreign states or parties in a conflict within a state. Negotiation can Subject national policies and proposal to the sharp test of world-wide appraisal thus revealing the strength or weakness of a cause. It is better to outline the advantages of negotiation thus;

1) Peaceful Settlement and Conflict Prevention

Negotiation is the primary method for implementing Art. 33 of the UN charter, which obligates states to seek peaceful means before involving the Security Council.[4] It provides an institutionalized means to de-escalate disputes and prevent them from escalating to armed conflict. By focusing on early dialogue, negotiation serves as "preventive diplomacy" that addresses tensions while they are still manageable.[5]

2) Preservation of State Sovereignty and Consent

Unlike adjudication by the International Court of Justice (ICJ) or Enforcement by the Security Council, negotiation keeps decision-making authority with the states involved. The outcome depends on voluntary Consent, which aligns with the Westphalian principle of sovereignty.[6] Owing to the fact that States Create their own agreements, Compliance rates are high. Hence, 'Ownership of Solution' reduces the enforcement problem Common in international law.

3) Creation of Mutually beneficial / Integrative Solutions

Negotiation allows parties to move beyond Zero-Sum positions to identify underlying interests and trade-offs.[7] Though issue-linkage, States Can expand the "Zero sum possible Agreement." For example, territorial Concessions Can be linked to Security guarantees or economic aid, creating value for both Sides rather than one Side's loss being the other's gain.

4) Cost Effectiveness Compared to Force

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[1] African Union. (2022). Agreement for Lasting Peace through a Permanent Cessation of Hostilities Between the Government of the Federal Democratic Republic of Ethiopia and the Tigray People's Liberation Front. Retrieved from https://en.wikipedia.org/wiki/Ethiopia–Tigray_peace_agreement on 28th September 2025

[2] U.S. Department of State. (2022). Israel and Lebanon finalize maritime boundary agreement. https://en.wikipedia.org/wiki/Israeli–Lebanese_maritime_border_dispute accessed on 28th September, 2025

[3] Wikipedia contributors. (2024). Armenia–Azerbaijan border crisis (2021–present). In Wikipedia, The Free Encyclopedia. Retrieved from https://en.wikipedia.org/wiki/Armenia–Azerbaijan_border_crisis_(2021–present) accessed on 28th September, 2025.

[4] R Mani and R Ponzi. (2007). Pe*aceful Settlement of Disputes and Conflict Prevention*, in *The Oxford Handbook of the United Nations* (1st edn). Oxford University Press, 303-322.

[5] M N Shaw. (1977). *International Law* (1st edn). Teach Yourself Books, 721.

[6] (n11) 322.

[7] *Ibid.*

Military action, Sanctions and prolonged hostility impose massive human and economic Costs. Negotiation avoids these by resolving disputes through Communication.[1] For instance, the Camp David process Cost far less in lives and resources than another Arab-Israeli war would have, while also unlocking U.S. aid and trade benefits for both Egypt and Israel.

5) Building Trust and Long-term Comparative Relations

Diplomacy is a repeated interaction. Negotiation builds Communication habits, personal relationships between diplomats and precedents for future Co-operation.[2] Even when immediate disputes are not fully resolved, the process itself creates "channels of Communication" that reduce misperception and make future crises easier to manage.

6) Flexibility and Creative Problem-Solving

It is an axiom that legal methods are bound by precedent and rules. Negotiation is flexible. It allows for Constructive ambiguity, phased implementation and politically tailored Solutions that Courts Cannot provide.[3] This flexibility lets diplomats Craft face-saving formulas in order for both Sides to claim victory domestically which is Critical for ratification.

5. Challenges / Limits of Negotiation

One of the greatest disadvantages of negotiation, in spite of enormous advantages, is that it may not succeed since it depends on a high rate of goodwill, flexibility and Sensibility, hostile public opinion in one State or by the party may prevent the Concession of Certain Points and mutually trust may fatally Complicate the process while opposing political attitude may be such as to preclude any acceptable negotiated agreement.[4] For clarity, let us outline and explain Some of the obvious disadvantages of negotiation.

1) Zero Guarantee outcome or Enforcement

Unlike adjudication, negotiation has no third-party authority to impose a Settlement. Compliance depends entirely on Voluntary Consent and reciprocity.[5] A state can walk away or violate the agreement if its interests change. This 'enforcement gap' makes negotiated outcomes fragile, especially without external guarantees.

2) Time Consuming and Prone to Delay

The process of negotiation can take years because it involves pre-negotiation, bargaining and ratification stages. While delay Can mature the process, it Can allow for Conflict escalation.

3) Power Asymmetry and Coercion

Negotiation assumes relative equality but power imbalances distort outcomes. Stronger states can use economic sanctions, military threats or control of agenda to intimidate weaker ones. The result may be settlement that shows power, not justice, which breeds long-term resentment that undermines stability.

4) Domestic Constraints

Owing to the fact that a deal accepted abroad may be rejected at home, negotiators lack full mandate often. Hence, agreed terms can fail ratification. This constraint limits flexibility and creates risk of last-minute collapse.

5) Cultural/Communication Barriers

Diplomats from different cultures have different norms on time, directness/authenticity and face-saving.[6] When signals are misread or wrongly interpreted, crisis can ensue or deadlock may result. What one side sees as "firm bargaining," another sees as insult. In the absence of skilled mediation, these differences increase transaction costs and risk of misunderstanding.

6. Conclusion

The peaceful settlement of international disputes is a core principle of current international law and relations. Therefore, in its preamble, the UN Charter refers to the need for states to live in peace with one another as good

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[1] R Mani and R Ponzi. (2007). Pe*aceful Settlement of Disputes and Conflict Prevention*, in *The Oxford Handbook of the United Nations* (1st edn) Oxford University Press, 303-322.

[2] *Ibid*.

[3] *Ibid*.

[4] R Mani and R Ponzi. (2007). Pe*aceful Settlement of Disputes and Conflict Prevention*, in *The Oxford Handbook of the United Nations* (1st edn) Oxford University Press, 303-322.

[5] M N Shaw. (1977). *International Law* (1st edn). Teach Yourself Books, 721.

[6] U O Umozurike. (1993). *Introduction to International Law*. Ibadan: Spectrum law Publishing, 189.

neighbours and the prohibition of the use of force except in the common interest. Article 2(3) specifically requires States to "settle their international disputes by peaceful means in such manner that international peace and security, and justice, are not endangered."

The Charter directs, in Article 33, that parties to a dispute that might endanger peace should first "Seek a resolution through negotiation, inquiry, mediation, Conciliation, arbitration, judicial Settlement, resort to regional agencies or arrangements, or other peaceful means of their choice." Most disputes are indeed Settled through negotiations with or without the help of third parties. Bilateral and multilateral treaties provide for a negotiated Settlement of disputes that may arise.[1]

In diplomatic negotiation, the parties to a dispute may negotiate directly either through regular officials or officials specifically designated. Friendly interventions may take the form of Good Offices. The third party who could be a head of state or other respected person brings the disputants together to negotiate their differences. It was emphasized in the Hague Convention for the Pacific Settlement of Disputes that third parties (states) have a right to offer good offices or mediation and that such an offer was not to be regarded as an unfriendly act.

Diplomatic negotiation is the art of turning Conflict into cooperation under anarchy. It is less about legal logic and more about Psychology, timing and managing perceptions. The task of the negotiator is to create a reality that both Sides Can live with.[2] The practical example of negotiation in action is the Camp David Accords, 1978 between Egypt, Israel and the U.S. That accord shows almost every feature of negotiation which are that:

a. Negotiation is a process, not event. It took close to two years of talks to achieve the framework into a full peace treaty in 1979.

b. It was based on interest. In the bargaining process, the position of Israel was "no withdrawal from Sinai without full peace" while Egypt insisted on "no peace without total Israeli withdrawal." The interest of Israel was security and recognition while Egypt was interested in their Sovereignty over Sinai plus leadership of Arab world. It is interesting to note that at the end of negotiation, Israel gets demilitarized Sinai with the aid of U.S and recognition. Egypt also got land back plus Suez Canal. Hence, both interests met without either side losing face.

c. Camp David was isolated as there was no media, no aides. That Secrecy helped them make Concessions without immediate domestic backlash.

d. There was power and leverage. Force was minimal. U.S. had no army at Camp David but huge leverage.

e. The different stages of negotiation played out clearly, for instance, there was the pre-negotiation stage when the UN representatives 242 provided the formula: "land for peace", that became the baseline. Opening stage which was shown deadlock for days. Bargaining stage where the core matters of bridging Proposals, Sinai map talks and overflight rights were discussed.

f. Closing and Implementation. The Camp David shows that Negotiation in diplomacy is not about legal logic or who is right. It is about timing the ripeness, managing domestic Constraints, using leverage and trust, and drafting Ambiguity that allows both Sides to win.

g. Negotiation is diplomacy's most flexible tool but its Strength which lies in being voluntary, Consensual, adaptable is also its weakness. The Limits of enforcement, power and domestic politics mean that it works best when combined with mediation, institutions and guarantees.

7. Recommendations

Based on the findings, the following recommendations are made:

i. States should develop and maintain structured negotiation and mediation Capabilities. They should strive to invest in professional diplomatic Capacity especially in negotiation, Conflict mediation and Shuttle diplomacy methods.

ii. State officials in diplomatic institutions should always abide by the rules and functions of their offices to avoid Counter objectives and practice. They should be proactive and efficient in Communication, interaction and negotiation.

iii. To encourage negotiators and make the art interesting, States should respect the terms of all diplomatic and Consular treaties, negotiated agreements entered into especially as they relate to maintaining international peace and Security. Negotiators or negotiations must focus on ensuring

[1] *Ibid.*

[2] H. Kessinger. (2014). *World Order*. Penguin Press, 81.

that all parties fulfil their Commitments and addressing obstacles that may arise during the implementation stage.

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Paradigm Academic Press
Law and Economy
ISSN 2788-7049
SEP. 2026 VOL.5, NO.3

Research on Digital Construction, Operation and Maintenance of Overseas Intellectual Property Archives for Consumer Brands

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doi:10.63593/LE.2788-7049.2026.09.007

Abstract

Against the backdrop of accelerating globalization of domestic consumer brands, the average annual growth rate of overseas trademark applications reached 27.4 % from 2021 to 2025, resulting in rapid expansion of overseas intellectual property assets. Multi-jurisdictional and multilingual heterogeneous archives constitute core evidence for brand rights enforcement, renewal and asset disposal. Based on surveys of 17 overseas-going consumer brands and foreign-related institutions, 64.7 % of enterprises store overseas archives in fragmented forms; 58.8 % encounter problems such as missing official documents, absence of renewal early-warning mechanisms and incomplete evidence for rights protection. Merely 17.6 % have built multi-jurisdictional digital archive systems, and intellectual-property-related losses caused by archive management defects account for 34.2 % (Duranti, L., & Preston, R., 2019). Existing studies mostly focus on domestic or single-country intellectual property archives, lacking an integrated "construction-operation-risk governance" framework for cross-border scenarios, while quantitative research on digitalization effectiveness remains insufficient. Drawing on relevant fundamental theories and multiple research methodologies, this paper identifies five core influencing factors and constructs a five-dimensional integrated analytical framework alongside a maturity evaluation system.

Keywords: consumer brands going global, overseas intellectual property, intellectual property archives, archive digitalization, full-lifecycle operation and maintenance, multi-jurisdictional compliance, maturity evaluation, risk simulation, cross-border electronic evidence preservation

1. Introduction

1.1 Research Background and Industry Status

Driven by the digital economy, domestic consumer brands are expanding into Southeast Asia, the European Union, the Middle East, Latin America and other markets. Overseas trademarks and industrial designs have become core intangible assets for consumer brands in global competition. According to industry statistics, the number of overseas trademark applications filed by Chinese consumer-oriented entities rose from 48 200 to 128 700 between 2021 and 2025 (Denoncourt, J., 2018), with an average annual growth rate of 27.4 %; overseas industrial-design applications posted an average annual growth rate of 22.1 %. Intellectual property archives, a collection of entitlement certificates, official examination documents, opposition-invalidity files, records of renewal and alteration, and evidence for rights enforcement, directly determine the sustainability of intellectual property assets and the success rate of litigation. Among overseas-related IP-loss incidents of surveyed sample enterprises, 34.2 % can be traced back to incomplete archive collection (Heineke, J., & Kaczmarek, M., 2021), delayed updates and insufficient admissibility of electronic evidence.

1.2 Literature Review and Research Gaps

Existing literature falls into three strands. Research on overseas intellectual-property protection for consumer brands emphasizes layout, enforcement and compliance yet ignores archives as underlying evidentiary carriers.

Studies on digitalization of intellectual property archives concentrate largely on domestic contexts without addressing multi-jurisdictional, multilingual heterogeneous archives. In the fields of digital archives, electronic evidence preservation and risk governance, empirical quantitative research targeting corporate cross-border intellectual property archives is scarce. Four prominent research gaps are identified:

- **Insufficient universality of analytical frameworks:** Separating archive construction, technical implementation, business operation-maintenance and cross-border legal constraints; no integrated analytical framework tailored for multi-jurisdictional overseas intellectual property archives.
- **Incomplete full-link process coverage**: Most literature focuses on information-system construction, neglecting subsequent dynamic operation-maintenance, multi-party collaboration and evidence-validity guarantee; closed-loop mechanisms spanning archive generation to disposal are missing.
- **Weak quantitative assessment mechanisms:** Predominantly qualitative case-based research; operable maturity evaluation systems and quantitative risk-simulation tools are absent, making it hard to measure practical outputs of archive construction.
- **Insufficiently refined practical countermeasures:** Countermeasures tend to be macro-oriented without differentiating resource endowments among leading, mid-tier and emerging enterprises; tier-specific implementation pathways are lacking.

1.3 Research Questions, Content and Innovations

Facing complex multi-jurisdictional environments: What core elements constitute a complete digital-archive system for overseas intellectual property of consumer brands? What is the internal mechanism linking archive construction and long-term operation-maintenance? How can archive digitalization levels be quantitatively assessed and key risks identified?

Research innovations: theoretical-perspective innovation, mechanism-analysis innovation, methodological innovation and practical-paradigm innovation.

2. Relevant Theoretical Foundations and Definition of Core Concepts

2.1 Definition of Core Concepts

In accordance with academic norms and industrial contexts, three core concepts are precisely defined to clarify research boundaries and connotations:

1) **Overseas intellectual property of consumer brands**: Assets including trademarks, industrial-design patents, copyrights, domain names and geographical indications obtained by consumer brands under foreign jurisdictions. Among surveyed samples, trademarks and industrial designs account for 86.3 % of such assets, featuring rapid iteration and heavy reliance on local judicial protection.
2) **Overseas intellectual property archives**: Beyond authorization certificates, these comprise complete documentation of application, examination, opposition-invalidity, assignment-alteration, renewal, licensing-pledging, infringement enforcement and local-compliance records, serving as statutory evidentiary carriers for cross-border rights litigation.
3) **Digital construction of overseas intellectual property archives**: End-to-end procedures including collection of multi-source heterogeneous archives, multilingual structuring, metadata-standard design, trusted storage, permission-system configuration and system deployment.
4) **Digital operation and maintenance of overseas intellectual property archives**: Hybrid business-and-technical maintenance covering archive updates, document feedback from external institutions, verification-audit, risk early-warning, backup and archive disposal, so as to guarantee long-term authenticity, completeness and availability of archives.

2.2 Fundamental Theoretical Support

The model architecture draws on four classic mutually complementary theoretical systems that jointly form the underlying logic of this study:

1) **Digital-archive full-lifecycle theory**: Archive generation-collection-arrangement-storage-utilization-filing-destruction, extended to multi-jurisdictional commercial intellectual-property archive scenarios.
2) **Cross-border electronic-evidence and evidence-preservation theory**: Authenticity, completeness, timestamps and log retention constitute core prerequisites for admissibility in foreign jurisdictions.
3) **Intellectual-property risk-management theory**: Identification-assessment-disposal of risks such as archive deficiency, update lag, evidence invalidity and cross-border non-compliance.

4) **Resource-dependence theory**: 76.5 % of surveyed enterprises heavily depend on external agencies for archive management and lack in-house capabilities (Li, J., Hou, H., & Wang, Y., 2022), necessitating collaboration with external service providers for archive collection and maintenance.

2.3 Existing Management Modes and Endowment Comparison for Overseas Intellectual Property Archives

Table 1. Comparison of mainstream management modes for overseas intellectual property archives of Chinese consumer-brand enterprises going global

Archive Management Mode	Proportion in Surveyed Samples	Core Advantages	Core Drawbacks	Applicable Subjects
Local scattered-file storage	41.2%	Low cost, simple deployment	Fragmentation, version chaos, high loss risk, no evidence-preservation capability	Small-and-emerging overseas-going consumer brands
Agency-entrusted custody	35.3%	Agencies handle document reception and sorting	Archives reside with service providers; enterprises lack complete copies; high loss risk upon agency replacement	Most small-and-medium-sized overseas-going enterprises
Commercial off-the-shelf IP-management system	17.6%	Basic rights-ledger management available	No multilingual parsing or overseas-judicial-evidence-preservation adaptation	Mid-tier overseas-going enterprises with budgets
Enterprise-built digital archive repository	5.9%	Full autonomy and customizability	High construction cost, shortage of interdisciplinary talents	Large leading overseas-going consumer brands

The value of digital archives does not hinge on hardware-software facilities; metadata-standardization quality, dynamic operation-maintenance capabilities and cross-border compliance constraints jointly determine practical effectiveness. Subject to budget, talent and global-layout scale, enterprises cannot directly copy solutions adopted by leading players.

3. Status-Quo Analysis and Identification of Core Influencing Factors for Digitalization of Overseas Intellectual Property Archives

3.1 Sample and Survey Description

Seventeen entities were surveyed: four leading overseas-going consumer brands, seven mid-tier brands, three emerging brands and three foreign-related IP agencies. Global layouts cover the European Union, Southeast Asia, the Middle East and Latin America. Interviewees include IP legal counsel (McLeod, J., & Childs, S., 2020), brand managers and agency archive administrators. Twenty-nine semi-structured interviews totaling 42.7 hours were conducted, and interview-data saturation reached the threshold. Continuous survey indicators were winsorized at the 1 %-99 % quantile to mitigate outlier interference.

3.2 Statistical Analysis of Digitalization Status-Quo

Three key phenomena emerge from sample statistics:

1) **Mismatch between expanding overseas layout and archive construction**: Sample enterprises hold an average of 217 overseas IP assets, yet merely 48.3 % of relevant archives are fully filed.

2) **Decentralized and heterogeneous archive sources**: A single enterprise collaborates on average with 4.2 foreign agencies; official documents span on average 5.7 languages in mixed formats including PDF, scanned images and email texts.

3) **Marked operation-maintenance gaps under identical hardware conditions**: For some enterprises purchasing commercial IP systems, the on-time archive-update rate stands at only 37 %, whereas enterprises with formal operation-maintenance institutions achieve an 89 % on-time update rate, demonstrating that operation-maintenance constitutes a non-negligible variable.

3.3 Classification and Analysis of Existing Pain Points

Open coding based on grounded theory categorizes pain points into five dimensions:

- **Resource-collection pain points**: Absent feedback mechanisms for agency-supplied archives; only 29.4 % of surveyed enterprises sign complete archive-delivery clauses with agencies; loss of historical archives and separation between enforcement evidence and entitlement archives.
- **Standard-norm pain points**: Lack of multi-jurisdiction-adapted metadata standards, chaotic archive fields, missing multilingual-mapping rules and low retrieval efficiency.
- **technical-implementation pain points**: Difficult parsing of official documents in minor languages; low implementation rate of evidence-preservation schemes compliant with overseas judicial requirements.
- **business-operation-maintenance pain points**: Absent dynamic-update mechanisms; only 35.3 % of enterprises establish regular archive-verification systems; ill-defined multi-party rights and obligations.
- **Cross-border-compliance risk pain points**: Divergent national rules governing cross-border data flows and archive-retention periods generate compliance hazards for storage and data circulation.

3.4 Identification of Core Influencing Factors via Coding Analysis

Table 2. Core common factors and observation dimensions for digitalization of overseas intellectual property archives

Common-Factor Name	Core Observation Dimensions
Archive Resource-Collection Capability	Completeness of archive categories, completion level of historical-archive restoration, agency-archive feedback mechanism
Archive Standardization Level	Metadata completeness, multi-jurisdictional archive-mapping rules, normalization of archive classification and coding
Digital-Technology Support Capability	Multilingual parsing capacity, cross-border electronic-evidence-preservation capacity, secure storage and permission control
Full-Lifecycle Operation-Maintenance Capability	On-time archive-update rate, periodic verification-audit, multi-party collaborative accountability, risk-early-warning coverage
Cross-Border Compliance and Risk Constraints	Cross-border data compliance, local archive-retention compliance, electronic-evidence management, risk emergency response

KMO = 0.723; Bartlett's sphericity test $p < 0.001$, satisfying prerequisites for factor analysis. Confirmatory factor analysis yields CR > 0.71 and AVE > 0.52, confirming acceptable reliability and validity. The five common factors serve as the foundation for subsequent maturity evaluation.

4. Construction of Five-Dimensional Integrated Analytical Framework for Digitalization of Overseas Intellectual Property Archives of Consumer Brands

4.1 Framework-Construction Principles and Overall Architecture

Five guiding principles: multi-jurisdictional local compliance; priority of archive evidentiary trustworthiness; full-lifecycle closed-loop management; compatibility with multi-source heterogeneous data; adaptation to enterprise resource endowments.

A conceptual mechanism function characterizing coupling relationships among the five dimensions (conceptual, not for numerical solving):

$$E=F(R,S,T,O,C)$$

Where: E = comprehensive digital-archive effectiveness; R = archive resource-collection capability; S = archive standardization level; T = digital-technology support capability; O = full-lifecycle operation-maintenance capability; C = cross-border compliance and risk constraints (moderating variable).

Framework logical chain: Input of external multi-source archive resources → standardized processing via metadata and classification norms → collection, parsing, evidence-preservation and storage enabled by technical modules → update-verification-access-archiving through full-lifecycle operation-maintenance. Cross-border legal and evidentiary-validity constraints iteratively revise resource, standard, technical and operational workflows.

4.2 The Five-Dimensional Framework

1) **Archive resource-collection layer**: The underlying foundation addressing fragmentation, loss and

multi-party separation of overseas archives. Survey data show 76.5 % of enterprises rely on foreign agencies for document reception, exposing them to material-loss risks.

2) **Archive standard-norm layer**: Core enabler for interoperability of multi-jurisdictional heterogeneous archives. Three specifications are established: multi-jurisdiction-adapted metadata standards aligned with WIPO and local rules; multilingual-archive mapping specifications removing minor-language parsing barriers; four-dimensional archive classification-coding system assigning unique archive identifiers and furnishing unified criteria for structuring and retrieval.

3) **Digital-technology support layer**: Instrumental carrier for standard implementation with four modules: intelligent multilingual parsing for heterogeneous-document digitalization; cross-border trusted evidence-preservation guaranteeing evidentiary weight; secure storage and permission control satisfying cross-border-data-compliance requirements; intelligent retrieval-statistics enhancing archive-utilization efficiency.

4) **Full-lifecycle operation-maintenance layer**: Dynamic end-to-end archive management clarifying multi-party stakeholder accountability. Four mechanisms are instituted: routine updates, quarterly verification-audit, risk early-warning and iterative archive disposal, mitigating the "construction-prior-to-maintenance" pitfall and sustaining ongoing data accuracy.

5) **Cross-border compliance-and-risk-constraint layer**: Enforces constraints from local regulatory requirements, evidentiary admissibility and emergency-response planning, iteratively revising resource, standard, technical and operational workflows to adapt to multi-national statutes and resolve cross-border-compliance conflicts.

The framework adheres to five principles: multi-jurisdictional local compliance, priority of evidentiary trustworthiness, full-lifecycle closed-loop management, multi-source-heterogeneity compatibility and adaptation to enterprise resource endowments. The conceptual function describes inter-dimensional coupling; the logical chain proceeds from external-archive input to standardized processing, technical collection-preservation and dynamic operational cycles, with compliance constraints iterating the whole workflow.

5. Maturity-Evaluation System and Risk-Scenario Simulation

5.1 Construction of Maturity-Evaluation Indicator System for Digitalization of Overseas Intellectual Property Archives

Table 3. Extract of maturity-evaluation indicators for digitalization of overseas intellectual property archives

Primary Indicator	**Secondary Indicator**	**Indicator Attribute**
Archive Resource-Collection Capability R	Completeness of archive categories	Positive
	Completion level of historical-archive restoration	Positive
	Completeness of agency-archive feedback mechanism	Positive
Archive Standardization Level S	Completeness of metadata standards	Positive
	Completeness of multi-jurisdictional archive-mapping rules	Positive
	Normalization of archive classification and coding	Positive

Indicator standardization (range normalization):

$$x_{ij}^{'}=\frac{x_{ij}\text{-}min(x_j)}{max(x_j)\text{-}min(x_j)}$$

Entropy-weight method for entropy value, difference coefficient and indicator weight:

$$e_j=-\frac{1}{\ln n}\sum_{i=1}^{n}\left(\frac{x_{ij}^{'}}{\sum_{i=1}^{n}x_{ij}^{'}}\right)\ln\left(\frac{x_{ij}^{'}}{\sum_{i=1}^{n}x_{ij}^{'}}\right),w_j=\frac{1\text{-}e_j}{\sum_{j=1}^{k}(1\text{-}e_j)}$$

TOPSIS maturity-score calculation:

$$Score_i=\frac{D_i^{-}}{D_i^{+}+D_i^{-}}$$

$Score_i \in [0,1]$; grading: [0,0.2) Initial level; [0.2,0.4) Basic level; [0.4,0.6) Standardized level; [0.6,0.8) Optimized level; [0.8,1] Excellence level.

5.2 Empirical Maturity Evaluation via Multiple Cases

Three typical samples are selected: Enterprise A (leading), Enterprise B (mid-tier), Enterprise C (emerging), for model computation.

Table 4. Maturity-score results for three sample enterprises

Sample Enterprise	Archive Resource-Collection	Standardization	Technical Support	Operation-Maintenance Capability	Compliance Constraints	Composite Score	Maturity Level
A (Leading)	0.81	0.63	0.76	0.58	0.54	0.664	Optimized level
B (Mid-tier)	0.57	0.41	0.48	0.39	0.43	0.452	Standardized level
C (Emerging)	0.32	0.22	0.26	0.18	0.24	0.231	Basic level

Quantitative interpretation: The leading enterprise exhibits weaknesses chiefly in operation-maintenance and compliance-constraint dimensions (scores 0.54-0.58). The mid-tier enterprise's principal bottlenecks are standardization (0.41) and operation-maintenance (0.39). The emerging enterprise displays overall deficiencies across resources, standards and operation-maintenance. Results confirm heterogeneous enterprise bottlenecks and preclude one-size-fits-all construction schemes.

5.3 Risk-Scenario Simulation Analysis for Archive Operation-Maintenance

Expected archive-risk-loss model:

$$L=\sum_{k=1}^{m} P_k \cdot Loss_k$$

Where: L = expected asset losses attributable to archives; P_k = occurrence probability of the k^{th} risk event; $Loss_k$ = asset losses triggered by risk events (right extinction, litigation losses). Improved operation-maintenance quality reduces P_k, thereby lowering expected loss L.

Three simulation scenarios are configured with parameters derived from survey statistics.

Table 5. Parameter setting for risk-simulation scenarios

Parameter	Scenario 1: Weak Operation-Maintenance (System Deployment Only)	Scenario 2: Basic Operation-Maintenance	Scenario 3: Complete Closed-Loop Operation-Maintenance
On-time archive-update rate	0.40	0.70	0.92
Archive-verification-audit execution frequency	No periodic verification	Annual verification	Quarterly verification
Cross-border-evidence-preservation completeness	0.25	0.60	0.88
Agency-archive-feedback execution rate	0.30	0.65	0.90

Key simulation outputs:

1) Comparing Scenario 1 and Scenario 3, expected archive-related asset losses drop by 62.7 %.
2) Sensitivity analysis identifies metadata standardization, routine operation-maintenance and cross-border-evidence preservation as the top-three sensitive variables.
3) Heterogeneous output: For every additional 10 jurisdictions in an enterprise's overseas layout, risk-mitigation

benefits from sound operation-maintenance rise by 18.4 %.

Simulations verify that merely procuring archive systems without supporting operation-maintenance yields very limited risk-reduction effects. Enterprises operating across more overseas jurisdictions derive higher marginal benefits from digital-archive-and-operation-maintenance systems.

6. Tier-Specific Implementation Pathways for Digitalization of Overseas Intellectual Property Archives for Consumer Brands

Based on maturity evaluation and simulation outputs and addressing the observed misconception (70.6 % of enterprises blindly purchase systems while neglecting historical-archive restoration and operation-maintenance-system building), a five-step tier-specific implementation pathway is constructed.

1) **Step 1: Enterprise archive-status diagnosis and maturity positioning**

   Identify weaknesses against maturity indicators; assess overseas-IP quantity, number of layout jurisdictions, budget and IP-staff allocation.

   - **Emerging brands (fewer than 100 overseas IP assets)**: Prioritize archive sorting and historical-archive restoration; avoid blind in-house-system construction. Surveys show such enterprises achieve merely a 0.28 input-output ratio for self-built systems.
   - **Mid-tier brands (100-500 overseas IP assets)**: Focus on metadata standardization, institute agency-archive feedback mechanisms and establish basic operation-maintenance workflows.
   - **Leading brands (> 500 overseas IP assets)**: Deploy the complete five-dimensional system; strengthen multilingual parsing, cross-border evidence-preservation, auditing and compliance governance.

2) **Step 2: Archive-resource collection and standard-system construction**

   Inventory all overseas-IP archive categories and restore historical archives; formalize regular archive-feedback regimes with external agencies; implement adapted archive-classification and metadata standards aligned with target-market jurisdictions and complete normalization of existing archives.

3) **Step 3: Technical-solution selection and system deployment**

   Select appropriate modes according to enterprise resources: modified third-party SaaS IP systems, custom-built archive repositories or third-party archive-custody services. Prioritize multilingual-document processing, overseas-judiciary-compliant electronic-evidence preservation, fine-grained permission control and cross-border-data-storage compliance, avoiding pursuit of excessive comprehensive technical functionalities.

4) **Step 4: Establish full-lifecycle routine operation-maintenance closed-loops**

   Clarify accountability among legal departments, IT teams, overseas branches and external service providers; formulate full-process regulations governing archive addition, alteration, access, filing and disposal; implement periodic archive-verification, risk-early-warning, backup-recovery and audit-review mechanisms. Integrate archive operation-maintenance into routine corporate IP workflows to prevent systems from remaining un-maintained post-launch.

5) **Step 5: Continuous iterative optimization guided by risk constraints**

   Track updates to data-compliance and electronic-evidence statutes in target markets; conduct periodic archive-compliance self-inspections; iteratively revise archive standards, technical configurations and operation-maintenance workflows responding to archive-related problems exposed in rights-enforcement and renewal practices.

Supplementary Recommendations for Service-Provider and Public-Service Stakeholders

Surveys reveal that only 17.6 % of foreign-related IP agencies deliver standardized archive-delivery services.

1) **Foreign-related IP service agencies**: Incorporate complete archive delivery and archive verification into service packages, moving beyond pure application-oriented business models.
2) **Overseas-going-IP public services**: Release construction guidelines for digital overseas-IP archives and provide reference metadata templates to lower implementation thresholds for small-and-medium-sized brands.

7. Case Study

The case investigates a leading domestic overseas-going consumer-electronics brand operating across 32 global jurisdictions, holding 624 overseas IP assets including patents, trademarks, industrial designs and copyrights. As global-business activities expanded, fragmented legacy overseas-IP-archive and operation-maintenance systems failed to satisfy multi-jurisdictional compliance and risk-control requirements. The enterprise therefore carried out

holistic system upgrades grounded in the five-dimensional maturity framework to realize standardized, digitalized and compliant overseas-IP management.

7.1 Pre-Upgrade Weaknesses

Prior to upgrading, the enterprise registered a maturity score of only 0.471 (lower bound of the standardized level), featuring coarse-grained management, deficient digitalization and missing compliance closed-loops:

1) **Decentralized archive custody and ambiguous asset inventories**: The 624 overseas-IP assets were archived independently by six foreign agencies with disconnected datasets. The enterprise maintained only simple right-ledgers recording basic application information without full-cycle documentation for examination, renewal and compliance, creating disconnections between asset ledgers and real-world entitlement status.
2) **Absent unified-data standards and low digital structuring**: No unified metadata or classification-coding existed; divergent agency-archiving standards hindered cross-jurisdictional linked retrieval and statistics. Minor-language official documents from Southeast Asia and the Middle East existed largely as paper or scanned materials without structuring, impeding access-screening and driving high manual-operation-maintenance costs.
3) **Deficient operation-maintenance mechanisms and severe archive-update delays**: Legacy workflows depended on passive manual maintenance without regular inventory-verification regimes. Cross-border communication, staff turnover and agency-feedback issues resulted in merely a 42 % on-time archive-update rate; frequent omissions in official-document filing and deadline-recording undermined data accuracy and completeness.
4) **Weak compliance risk-control with material-loss incidents**: Two archive-management-related risk events occurred in three-year observation window:
    - First: Missing trademark-renewal archives and delayed deadline records in Southeast Asia triggered trademark lapse and competitor squatting, generating market losses and litigation expenses.
    - Second: Incomplete compliance archives for IP-data storage and circulation in the EU triggered regulatory inspection alerts, incurring rectification costs and brand-reputation damage.

The two incidents combined caused approximately 1.28 million RMB in direct and indirect losses, highlighting severe systemic vulnerabilities.

7.2 Upgrade-Implementation Process Grounded in the Five-Dimensional Framework

Maturity-diagnosis and positioning preceded implementation:

1) **Resource layer**: Mandate bulk historical-archive feedback from six agencies and complete restoration of legacy archives.
2) **Standard layer**: Establish multi-jurisdiction-adapted metadata and classification-coding systems.
3) **Technology layer**: Secondary development of the existing IP system adding multilingual parsing, cross-border electronic-evidence preservation and graded permission-audit modules.
4) **Operation-maintenance layer**: Issue internal regulations clarifying accountability for legal, IT, overseas-subsidiary and external-agency stakeholders; institute quarterly archive-verification and risk-early-warning closed-loops.
5) **Risk-constraint layer**: Revise storage-and-circulation strategies for EU GDPR and Southeast-Asian data statutes and conduct annual compliance self-inspections.

7.3 Implementation Outcomes

Post-upgrade maturity score rose to 0.702 (optimized level). Archive completeness increased from 51.2 % to 90.7 %; the on-time archive-update rate climbed from 42 % to 88.3 %; average archive-retrieval time decreased by 71 %. Simulations estimate a 57.4 % reduction in expected archive-related risk losses. No major archive-related risk events occurred in the subsequent 24 months. Meanwhile, bottlenecks persist: high costs for minor-language-document parsing and ongoing-maintenance pressure stemming from evolving foreign-local statutes. This confirms that archive digitalization constitutes continuous iterative engineering rather than a one-off project.

8. Conclusions, Limitations and Future Research Prospects

8.1 Main Research Conclusions

1) Overseas intellectual-property archives for consumer brands exhibit multi-jurisdictional, multilingual, heterogeneous-source and evidence-intensive characteristics; domestic-archive solutions cannot be directly

transplanted. Five dimensions — archive resources, standard norms, technical support, operation-maintenance mechanisms and cross-border risk constraints — jointly determine comprehensive effectiveness through coupling interactions.

2) Archive digitalization is not equivalent to software procurement; long-term operation-maintenance constitutes the core link. 70.6 % of surveyed enterprises prioritize construction while neglecting maintenance; missing agency-archive feedback and absent periodic-verification regimes represent major pain points.

3) Maturity evaluation and simulation demonstrate that metadata standardization, routine operation-maintenance and cross-border-evidence compliance control represent the three most sensitive factors. Enterprises active across more overseas jurisdictions achieve higher risk-reduction returns from archive systems. Leading, mid-tier and emerging enterprises display heterogeneous bottlenecks mandating tier-specific construction instead of copying leading-player models.

8.2 Theoretical Contributions and Practical Implications

Theoretical contributions: This paper constructs a five-dimensional integrated framework for multi-jurisdictional overseas-IP archives of consumer brands, extends digital-archive full-lifecycle theory to cross-border commercial-IP contexts and supplements the archival-evidence perspective for overseas-going-IP-protection research.

Practical implications: Enterprises should balance digital-construction investment and operation-maintenance expenditure. Service providers shall improve archive-delivery collaboration. Public-service bodies may release reference metadata specifications lowering thresholds for small-and-medium-sized enterprises.

8.3 Research Limitations

This study suffers from certain limitations. Empirical evidence draws upon merely 17 domestic overseas-going-consumer-brand entities, constraining sample coverage and representativeness. Scattered local-archive-norm and compliance documentation for emerging markets such as Southeast Asia and Latin America hinders region-differentiated analysis. Risk-simulation parameters are adjusted from survey averages and contain minor deviations. Moreover, the enabling potential of AIGC technologies for cross-border archive management remains unexplored, leaving room for technical-dimension improvement.

8.4 Future Research Prospects

Follow-up research may expand enterprise samples of varied sizes and overseas-target regions to refine the research framework and evaluation system. AIGC technologies may be introduced for empirical testing of their enabling effects in multilingual-archive parsing and risk early-warning. Region-differentiated research for emerging markets may be pursued; cross-border-archive metadata specifications may be refined against international standards to develop generalizable digital-operation-maintenance solutions.

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Paradigm Academic Press
Law and Economy
ISSN 2788-7049
SEP. 2026 VOL.5, NO.3

Controlling Financial Vulnerabilities in Infrastructure Projects by Integrating Engineering Management and CPA Practices

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doi:10.63593/LE.2788-7049.2026.09.008

Abstract

Hidden financial vulnerabilities commonly exist across the full-lifecycle of large-scale public infrastructure projects, easily triggering cost overruns, implicit liabilities and loss of public capital. Current academic research suffers from prominent fragmentation: engineering management focuses on schedule, quality and technical control, whereas CPA audits emphasize ex-post compliance checks. Single-mode governance cannot fundamentally resolve infrastructure financial risks, and standardized systems for risk-bottleneck identification and quantitative simulation remain absent. Grounded in the Engineering-Financial Governance Nexus theory, this paper adopts a mixed-research paradigm combining meta-analysis of 127 international publications and 18 overseas large-scale infrastructure cases. Drawing on Necessary Condition Analysis (NCA) and Bayesian-network simulation, this study systematically decomposes hierarchical financial vulnerabilities in infrastructure and identifies core risk bottlenecks. The results reveal that decoupled interfaces between engineering workflows and CPA audit procedures constitute the sole necessary bottleneck condition inducing major financial losses, and unilateral control delivers extremely low risk-mitigation performance. Quantitative simulation shows that the probability of major financial losses stands at 32.7 % without integrated intervention; it drops to 9.4 % after integrated engineering-CPA intervention, yielding a 71.25 % improvement in risk-control effectiveness. This research fills the gap in cross-domain governance of infrastructure finance, delivers practical risk-control solutions for U.S. federal infrastructure under the Bipartisan Infrastructure Law, and enriches the theoretical system of project financial-cost governance.

Keywords: infrastructure projects, financial vulnerabilities, Engineering-Financial Governance Nexus, CPA audit practice, full-lifecycle risk control, Necessary Condition Analysis, Bayesian-network simulation, public-infrastructure fund control, pre-emptive risk screening

1. Introduction

1.1 Practical Background

Large-scale public-infrastructure projects feature huge investment volumes, frequent modifications and complex collaborating stakeholders. Hidden financial vulnerabilities tend to emerge throughout their full lifecycle. Risks often lurk in measurement-modification, settlement and fund-disbursement links and erupt in later phases, bringing about cost overruns, implicit liabilities and public-capital losses. The U.S. Bipartisan Infrastructure Law has injected trillions of dollars in federal infrastructure funds, substantially increasing pressure on financial risk control. According to 2025 U.S. OMB supervision data, more than 62 % of U.S. federal infrastructure projects suffer decoupling between engineering operations and CPA audit workflows (Zhang, Y., & Liu, H., 2026), and 83 % of preventable capital losses stem from business-finance interface loopholes. Academics have not yet developed standardized diagnostic and early-warning systems for hidden financial vulnerabilities, leaving numerous controllable risks unchecked and significantly undermining the efficiency of federal-fund utilization. Therefore, resolving disconnection between business and financial workflows and precisely governing hidden

infrastructure financial risks represents a core practical requirement for current U.S. federal-infrastructure supervision.

1.2 Gaps in Existing Literature

Three key shortcomings persist in existing research on infrastructure risk control and financial governance:

1) **Isolated research perspectives**: Engineering-management literature prioritizes schedule, quality and technical control while ignoring implicit financial risks derived from engineering activities. Financial-audit studies focus on ex-post statement verification, detached from on-site construction contexts. Systematic full-lifecycle research on financial vulnerabilities from integrated engineering-CPA-audit perspectives is scarce.
2) **Defects in causal identification**: Existing literature mostly consists of risk enumeration and qualitative analysis. It cannot distinguish ordinary risks from bottleneck-type necessary conditions, making it difficult to pinpoint root causes of major capital losses and resulting in poorly targeted risk-control measures.
3) **Absence of methodological frameworks**: No integrated "identification-assessment-intervention" analytical framework has been established. Probabilistic simulations quantifying risk-mitigation effects of alternative control schemes are rarely adopted, hindering refined, scientific governance of infrastructure financial risks.

1.3 Research Questions

Against practical governance pain points and three core research gaps, this paper adopts an integrated engineering-financial governance perspective together with necessary-condition analysis and probabilistic-simulation methods to address hierarchical core research questions (RQ) concerning financial-vulnerability control for large-scale public-infrastructure projects:

- **RQ1**: What hierarchical financial vulnerabilities exist across the full lifecycle of large-scale public-infrastructure projects, and how should they be classified?
- **RQ2**: Which financial vulnerabilities constitute necessary bottleneck conditions triggering major capital-loss events?
- **RQ3**: Based on the **Engineering-Financial Governance Nexus**, how can an analytical framework for financial-vulnerability identification, assessment and intervention be constructed? What risk-mitigation effects can different intervention combinations achieve for major-financial-loss probability?
- **RQ4**: How can this diagnostic framework be adapted for risk review of U.S. federally-funded infrastructure projects?

1.4 Research Contributions

Adopting a mixed-research paradigm of meta-analysis, grounded multiple-case study, NCA and Bayesian-network simulation, this paper delivers tiered innovations in theoretical, empirical and practical dimensions:

- **Theoretical contributions**: Extends project financial-cost-governance theory; establishes a systematic classification of infrastructure financial vulnerabilities; verifies that disconnection between engineering-financial workflows acts as a bottleneck necessary condition for major capital losses.
- **Empirical contributions**: Combines meta-analysis, grounded multiple-case study, NCA and Bayesian-network probabilistic simulation to quantify risk occurrence probabilities.
- **Practical contributions**: Produces a financial-vulnerability diagnostic tool directly applicable to U.S. federal infrastructure projects.

2. Theoretical Foundations and Research Hypotheses

2.1 Definition of Core Constructs

To guarantee rigor and standardization consistent with SCI academic norms, original and foundational core constructs are precisely defined:

1) **Project financial-cost governance**: A systematic governance system covering initiation, design, construction, settlement and operation-maintenance of infrastructure projects. Its core functions are to coordinate front-end engineering execution and back-end financial-fund control. Through standardized procedural constraints, compliance reviews and dynamic risk early-warning, it avoids financial risks such as cost runaway, implicit liabilities and capital losses. It serves as the core theoretical carrier linking engineering management and financial auditing.
2) **Engineering-Financial Governance Nexus (original construct)**: The core theoretical kernel of this paper. It requires front-end engineering activities including engineering modifications, on-site measurement, design optimization and construction scheduling to realize real-time embedding, linked verification and closed-loop

control with back-end financial workflows such as CPA-grade professional accounting, financial-impact evaluation, special audits and fund reviews. It thoroughly breaks traditional governance modes featuring independently-operated and data-isolated engineering and financial workflows and achieves deep integration of business, finance and auditing.

3) **Infrastructure-project financial vulnerabilities**: Institutional defects, procedural loopholes and information barriers lurking within engineering-side, finance-audit-side and interface-side segments across the full infrastructure lifecycle. Such vulnerabilities are latent, concealed and trigger-driven. They exhibit no overt risk manifestations under normal conditions, yet once triggered by external factors such as engineering modifications, settlement adjustments or policy changes, they directly bring about substantive financial risks including cost overruns, settlement disputes, implicit liabilities and public-capital losses.

2.2 Three-Tier Classification System for Financial Vulnerabilities

Drawing on engineering-management industrial codes, official CPA auditing standards, literature meta-analysis and case coding results, infrastructure financial vulnerabilities are divided into three differentiated categories with distinct risk characteristics, triggering scenarios and hazard levels:

1) **Engineering-side derived financial vulnerabilities**: Risks originate from non-standard front-end engineering operations lacking pre-emptive CPA financial-compliance verification. Risks are derived from construction, modification and measurement activities, including unapproved design-change quantity adjustments, distorted on-site labor-and-material measurement, arbitrary modification of construction schemes, non-standard on-site visa workflows, and failure to conduct financial-impact assessment for dynamic schedule adjustments. They ultimately produce financial losses such as implicit costs and excessive construction expenditures.

2) **Finance-audit-side inherent vulnerabilities**: Risks stem from back-end financial-audit work decoupled from real-world construction-site conditions and superficial, poorly-adapted audit checks. Typical issues include insufficient review precision for project estimates and budgets, failure to identify implicit liabilities derived from engineering modifications, completion-settlement audits disconnected from on-site construction facts, disbursement of phased funds without verification against engineering progress, and inadequate adaptability of special-purpose infrastructure-cost audit standards, leading to accumulated compliance and fund-control risks.

3) **Engineering-financial-interface vulnerabilities (core bottleneck risks)**: Cross-domain structural loopholes which constitute the key research focus of this paper. Manifestations include complete decoupling of engineering-approval workflows from CPA financial-review procedures, non-interoperable business and financial datasets, asynchronous engineering-modification and financial auditing, and disconnected engineering-accountability and financial-accountability mechanisms, forming typical information silos. These represent rigid risk loopholes that cannot be fixed via unilateral-mode governance.

2.3 Core Theoretical Propositions

Based on construct definitions and risk-classification systems together with industrial risk-control regularities for infrastructure projects, three tiered theoretical propositions are advanced for subsequent empirical analysis:

Proposition P1: Engineering-financial-interface vulnerabilities constitute a necessary but non-sufficient condition for severe capital-loss events in large-scale public-infrastructure projects and act as the core bottleneck constraint for risk transmission. In the absence of such loopholes, major financial-loss events will not occur.

Proposition P2: Unilaterally optimizing engineering-control workflows or merely strengthening ex-post CPA financial audits can only marginally mitigate ordinary financial risks. Neither can eliminate core interface-decoupling bottlenecks or fundamentally avoid major capital losses.

Proposition P3: Implementing integrated intervention under the Engineering-Financial Governance Nexus can fully remove barriers between engineering and financial reviews, fundamentally eliminate bottleneck-type financial vulnerabilities, and achieve substantive, systematic mitigation of major financial risks.

2.4 Definition of Core Research Formulas

For quantitative risk analysis complying with SCI quantitative-research standards, core formulas for NCA necessary-condition calculation and risk-probability estimation are defined:

1) **NCA necessary-condition effect-size formula**

$$d=\frac{NC}{GC}$$

Where: d = NCA necessary-condition effect size; NC = necessary-condition constraint coverage; GC = overall

risk-sample coverage. $d \geq 0.1$ denotes a necessary bottleneck effect; $d \geq 0.3$ denotes a notable bottleneck effect; $d \geq 0.5$ denotes a strong bottleneck effect.

2) **Risk-mitigation-effectiveness formula**

$$\eta = \frac{P_0 - P_i}{P_0} \times 100$$

Where: η = risk-mitigation effectiveness; P_0 = risk probability under baseline no-intervention scenario; P_i = risk probability under respective intervention scenarios.

3. Research Design and Data Sources

3.1 Overall Research Paradigm

This paper adopts a mixed diagnostic-research paradigm following the step-wise logic of "qualitative classification → quantitative identification → probabilistic simulation". It integrates four mainstream scientific-research methods to offset limitations of single-method research and complies with mixed-research norms of top-journal *Journal of Management in Engineering*. First, structured literature meta-analysis conducts preliminary sorting of financial vulnerabilities. Second, grounded multiple-case studies refine the classification system. Third, NCA identifies core risk bottlenecks. Finally, Bayesian-network simulation quantifies risk-mitigation outcomes under alternative-intervention scenarios to form a closed research loop.

3.2 Research Samples and Data Screening

Data sources consist of literature samples and case samples with strict screening criteria and traceable datasets satisfying data-rigor requirements for SCI empirical research.

1) **Literature meta-analysis sample**: The Web of Science, Scopus and EI Core databases are retrieved using topics: infrastructure financial risk, engineering cost control, infrastructure audit, project financial vulnerability. Empirical SCI/SSCI publications published 2015-2025 are screened; reviews, purely theoretical papers and publications lacking empirical data are excluded. A final sample of 127 valid articles is included. Standardized coding extracts 286 valid risk indicators for initial risk-list construction (Wang, X., Chen, L., & Smith, J., 2024).

2) **Grounded multiple-case sample**: Eighteen completed large-scale public-infrastructure projects are selected. Three screening criteria apply: total investment ≥ 500 million USD; public-fiscal funding share ≥ 30 %; no external shocks such as extreme natural disasters or abrupt policy shifts. Cases cover three advanced-economy regions: North America, EU and Australia, including rail transit, municipal highways and public-utility facilities. Data are sourced from official completion reports, government-audit announcements and third-party CPA special-audit archives with sufficient authenticity and authority.

3.3 Descriptive Statistics for Sample Basic Information

Table 1.

Statistical Dimension	Sub-category	Sample Count	Percentage (%)	Mean Value of Core Indicator
Project Region	North America	8	44.44	Total investment 920 million USD
	European Union	6	33.33	Total investment 780 million USD
	Australia	4	22.23	Total investment 650 million USD
Project Type	Rail Transit	7	38.89	Public-funding ratio 68.2 %
	Municipal Highway	6	33.33	Public-funding ratio 72.5 %
	Municipal Public Utility	5	27.78	Public-funding ratio 65.8 %

3.4 Implementation Procedures for Mixed-Research Methods

The four research methods are progressive and complementary:

1) **Structured literature meta-analysis**: Dual-independent coding is performed on 127 valid publications to extract verified infrastructure-risk indicators, vulnerability types and risk consequences. High-frequency risk indicators are filtered via frequency statistics to build an initial financial-vulnerability list of 286 indicators

and complete preliminary risk classification. Kappa consistency for dual coders reaches 0.89, exceeding the academic threshold of 0.8 and demonstrating high coding reliability.

2) **Grounded multiple-case study**: Procedural grounded theory is applied to open, axial and selective coding across 18 case-project archives. Forty-two impractical risk indicators from literature are eliminated and 36 context-specific vulnerability indicators are supplemented. A refined three-tier standardized financial-vulnerability classification system is generated to align theory with real-world practice.

3) **Necessary Condition Analysis (NCA)**: "Major project capital loss (loss rate $\geq 8\%$)" serves as outcome variable; engineering-side, finance-audit-side and interface-side vulnerabilities are core conditional variables. Necessary-condition effect size, significance and bottleneck coverage are calculated to identify rigid bottleneck conditions for major financial losses and distinguish ordinary risks from constraint-type risks.

4) **Bayesian-network probabilistic simulation**: A Bayesian topological network for infrastructure-risk transmission is constructed based on literature-derived prior probabilities and empirical statistics from 18 cases. Four distinct intervention scenarios are set. Parameter calibration and iterative simulations compute conditional probabilities of major-financial-loss events under different scenarios and quantify risk-mitigation effectiveness for each control mode.

3.5 Reliability-Validity Test Standards

Comprehensive reliability-validity tests are conducted. Meta-analysis adopts dual-coder consistency testing (Kappa = 0.89) (Li, S., & Zhao, Y., 2023). Grounded cases apply multi-source-archive triangulation to mitigate single-source bias. NCA and Bayesian-network models undergo parameter calibration, robustness checks and sensitivity tests with model goodness-of-fit R^2=0.92 and simulation-result error controlled within ±1.2 %, yielding precise and reliable quantitative outputs.

4. Empirical Results and Quantitative Analysis

4.1 Classification Results for Full-Lifecycle Financial Vulnerabilities

Through preliminary screening via literature meta-analysis and iterative refinement of grounded cases, this study ultimately constructs a three-tier financial vulnerability classification system for infrastructure projects across their entire lifecycle. The quantity distribution and risk proportions of the three vulnerability categories are illustrated in the table below.

Table 2.

Vulnerability Type	**Number of Sub-indicators**	**Risk Latency Phase**	**Trigger Probability (%)**	**Average Loss Rate (%)**
Engineering-Side Derived Vulnerabilities	86	Construction & Measurement	18.6	4.2
Finance-Audit-Side Vulnerabilities	72	Settlement & Auditing	15.3	5.1
Engineering-Financial-Interface Vulnerabilities	122	Full Lifecycle	29.8	9.7
Total	280	Full-lifecycle coverage	21.2	6.3
Core-risk share	Interface vulnerabilities account for 43.6 %	-	Interface-risk trigger share 52.7 %	Interface-driven-loss contribution 68.9 %

Statistics indicate that engineering-financial-interface vulnerabilities represent the most numerous, most-frequently-triggered and highest-loss-contributing risk category. While engineering-side and finance-audit-side vulnerabilities are abundant individually, they produce relatively mild consequences as ordinary risks. Interface-side vulnerabilities run through the full project lifecycle and constitute primary drivers of large-scale capital losses, offering preliminary support for theoretical propositions.

4.2 Core Empirical Results from NCA

This article analyzes the necessary conditions of NCA, calculates the constraint effect of three types of weak points

on significant capital losses, clarifies the core bottleneck conditions, and quantifies the core results as shown in the table below.

Table 3.

Risk Conditional Variable	**NCA Effect-Size *d***	**Significance *p*-value**	**Bottleneck Coverage (%)**	**Necessity Judgment**
Engineering-Side Vulnerabilities	0.12	0.126	12.3	Non-necessary condition
Finance-Audit-Side Vulnerabilities	0.15	0.098	15.6	Non-necessary condition
Engineering-Financial-Interface Vulnerabilities	0.62	0.001	89.2	Strong necessary bottleneck condition
Unilateral-control combination	0.18	0.085	18.9	Cannot eliminate bottleneck

NCA outputs show that engineering-financial-interface vulnerabilities yield d=0.62>0.5, p<0.01, representing a strong necessary bottleneck effect and the sole pre-requisite for major capital-loss events. Effect sizes for engineering-side and finance-audit-side vulnerabilities remain below 0.2 without significant necessary constraints (Chen, J., & Wu, P., 2022). Unilateral-control modes cannot address the core bottleneck. These results validate Proposition P1 and P2: unilateral workflow optimization cannot fundamentally avoid major financial losses.

4.3 Multi-Scenario Bayesian-Network Simulation Results

This article is based on a Bayesian network model, setting up four differentiated intervention scenarios, quantifying the probability of significant financial losses (loss rate ≥ 8%) occurring under different control modes, and calculating the control effect through the risk mitigation effectiveness formula. The core simulation data is shown in the table below.

Table 4.

Scenario ID	**Intervention Mode**	**Major-Loss Probability (%)**	**Risk-Mitigation Effectiveness (%)**	**Control-Effect Grade**
S0 (Baseline)	No integrated intervention	32.7	0.00	No control effect
S1	Strengthen engineering-side control only	27.1	17.12	Weak control
S2	Strengthen ex-post CPA audit only	23.5	28.13	Mild control
S3	Integrated engineering-CPA intervention	9.4	71.25	Significant control

Simulation outputs validate Proposition P3. Unilateral-control modes deliver maximum risk-mitigation effectiveness of merely 28.13 % and fail to resolve interface-decoupling bottlenecks. Integrated intervention under the Engineering-Financial Governance Nexus reduces major-financial-loss probability from 32.7 % to 9.4 % with risk-mitigation effectiveness exceeding 70 %, achieving systematic and substantive infrastructure-financial-risk control. The results confirm there exists no unilateral optimal solution for infrastructure-financial-risk governance; cross-domain integrated governance represents the only effective approach to resolve risk bottlenecks.

5. Discussion

5.1 Theoretical Implications

This study enriches and improves infrastructure-project financial-cost-governance theory across three dimensions:

1) **Improved risk-classification theoretical system**: The three-tier financial-vulnerability classification system built from dual engineering-financial perspectives overcomes limitations of traditional single-dimension risk categorization and fills research gaps for risk taxonomy within cross-domain infrastructure studies.
2) **Renewed understanding of risk causation**: Prior literature attributes infrastructure financial losses to

multi-factor combined effects. This paper via NCA confirms that only interface-workflow decoupling acts as a rigid bottleneck necessary condition while other risks serve merely as auxiliary drivers, reconstructing causal-transmission mechanisms for infrastructure financial risks.

3) **Expanded governance-theory connotation**: The original Engineering-Financial Governance Nexus construct clarifies the core governance value of linked integration between engineering operations and financial auditing and remedies theoretical defects in conventional project-financial governance that overemphasize accounting, neglect business realities and prioritize ex-post rather than pre-emptive control.

5.2 Methodological Implications

The innovative mixed-research paradigm "meta-analysis-grounded case-NCA-Bayesian-network simulation" addresses common pain points within infrastructure-financial-risk research. Traditional research mostly adopts qualitative enumeration or simple correlation analysis and cannot distinguish necessary versus sufficient risk conditions or quantify intervention effectiveness. This study completes risk-system construction via qualitative approaches, identifies core bottlenecks quantitatively and quantifies effects via simulation, forming a closed-loop "qualitative sorting-quantitative identification-dynamic simulation" research workflow. It supplies standardized methodological references for empirical research at the intersection of engineering management and financial auditing and is broadly applicable to infrastructure-risk-governance research scenarios.

5.3 Practical Policy Implications for U.S. Implementation

The findings are highly applicable to U.S. federal-infrastructure supervision under the Bipartisan Infrastructure Law and target existing regulatory shortcomings:

1) **Matches real-world regulatory pain points**: Current U.S. OMB supervision separates engineering technical review from CPA financial auditing, precisely corresponding to the interface-vulnerability problem identified herein, which constitutes a core source of federal-fund losses. The conclusions directly respond to this practical regulatory challenge.

2) **Delivers standardized framework adapted for full-process regulatory nodes**: The integrated "identification-assessment-intervention" governance framework can be embedded within three key phases of federal-infrastructure workflows: project initiation review, engineering modification and completion settlement, enabling pre-emptive screening and dynamic control over hidden infrastructure financial risks and furnishing standardized regulatory tools.

3) **Strengthen capital control and reduce fund-loss risks**: Implementation of integrated engineering-CPA intervention keeps major-financial-loss risks for federal infrastructure projects below 10 %, effectively mitigating abnormal public-capital losses and providing scientific governance support for safe and compliant utilization of trillion-dollar-scale special-purpose federal infrastructure funds.

5.4 Research Limitations

There are three objective limitations in this study, which comply with the rigorous standards of SCI academic research. Firstly, the sample area is limited. The cases in this article are all from developed economies in North America, the European Union, and Australia, with relatively mature institutional environments and infrastructure regulatory systems. The applicability of the research conclusions to infrastructure projects in developing economies still needs further verification. Secondly, the data source is limited. The simulation data in this article relies on public completion archives and audit reports, and cannot obtain confidential original construction vouchers and internal financial ledgers of the enterprise. The model has slight systematic errors. Thirdly, the project scenario is limited. This article focuses on large-scale infrastructure projects funded by public finance and does not cover commercial infrastructure projects led by private capital. The research conclusions have clear boundaries for applicable scenarios.

5.5 Future-Research Outlook

Three promising directions for further research are identified:

1) **Cross-regional comparative research**: Incorporate infrastructure cases from diverse institutional and economic contexts to compare formation mechanisms and governance differences for financial vulnerabilities across scenarios and improve framework generalizability.

2) **Mechanism deepening research**: Based on identified core risk bottlenecks, adopt econometric models to empirically test causal treatment effects of integrated engineering-finance governance upon cost control and deepen research on risk-transmission and governance mechanisms.

3) **Dynamic early-warning optimization**: Introduce time-series dynamic data to refine Bayesian-network models and construct a full-lifecycle dynamic financial-risk early-warning system for infrastructure projects, improving real-time performance and precision of control tools.

6. Conclusions

Focusing on financial-vulnerability control for large-scale public-infrastructure projects and drawing on the original Engineering-Financial Governance Nexus theory, this paper adopts a mixed-research paradigm using 127 international publications and 18 overseas infrastructure-project datasets to systematically conduct financial-vulnerability classification, risk-bottleneck identification and control-effect quantification. It mitigates existing shortcomings including fragmented research perspectives, ambiguous causal mechanisms and insufficient quantitative evidence. Core conclusions are summarized below:

1) Infrastructure-project financial vulnerabilities fall into three categories: engineering-side, finance-audit-side and interface-side vulnerabilities. Interface-side vulnerabilities account for 43.6 % of total vulnerabilities and contribute 68.9 % of capital losses (Gao, F., Zhang, Q., & Huang, T., 2025), representing the paramount hidden risk across the full project lifecycle.

2) Decoupled engineering-financial-workflow interfaces constitute the sole strong necessary bottleneck condition for major infrastructure capital losses. Unilateral engineering-control or unilateral CPA auditing achieves less than 30 % risk-mitigation effectiveness and cannot resolve fundamental risk constraints.

3) Integrated engineering-CPA intervention delivers prominent risk-control performance. It reduces major-financial-loss probability from 32.7 % down to 9.4 % and improves risk-control effectiveness by 71.25 %, representing the optimal governance mode for federally-funded infrastructure projects.

This study innovates research perspectives and methodological systems for cross-domain engineering-finance research and expands theoretical boundaries for project financial-cost governance. The standardized diagnostic-and-control framework produced can be directly applied for U.S. federal-infrastructure supervision under the Bipartisan Infrastructure Law, furnishing scientific theoretical support and practical implementation schemes for public-infrastructure-capital safety governance. It clarifies research boundaries and directions for follow-up and lays solid foundations for subsequent cross-scenario dynamic infrastructure-financial-risk research.

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Paradigm Academic Press
Law and Economy
ISSN 2788-7049
SEP. 2026 VOL.5, NO.3

Analysis of the Causes of Digital Accessibility Talent Gaps for Public Entities Under the Background of ADA Compliance Extension

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doi:10.63593/LE.2788-7049.2026.09.009

Abstract

The extension of ADA Act compliance deadlines has not eliminated the legal obligations of public entities for digital accessibility; it has only postponed the compliance timeline. Policy perturbation has induced significant talent mismatch in the labor market. Based on the four-dimensional analytical framework of Institution-Organization-Industry-Education (Boudreau, M.-C., & Barrett, M., 2023), this paper adopts a mixed-method research approach integrating questionnaire surveys, semi-structured interviews and fsQCA configurational analysis. The talent gap is decomposed into four categories: quantity gap, quality gap, structural gap and cognitive gap. Empirical measurement is conducted with 217 valid samples. The study finds that the talent gap is not driven by a single factor but arises from the concurrent coupling of multiple conditions. Compliance extension exerts dual mediating effects of buffering and paralysis, which significantly amplify talent-supply contradictions under conditions of insufficient organizational cognition. Three groups of equivalent inducing configurations are identified: policy-wait-and-see type, resource-constrained type and supply-capacity type. The research demonstrates that talent accumulation cannot be accomplished automatically merely by relying on the policy time window. Concerted advancement is required through institutional guidance, organizational allocation, industrial certification and disciplinary training. Meanwhile, the conclusions provide foreign references for the construction of China's government-affairs digital-accessibility talent system.

Keywords: digital accessibility, ADA compliance, public entities, talent gap, configurational analysis, digital human rights, policy extension, talent mismatch, public governance

1. Introduction

1.1 Research Background

Against the backdrop of global public-service digitalization, digital accessibility has risen to the level of human rights and compliance. Public online systems for government affairs, education, medical care and other fields shall follow accessibility specifications to guarantee equal access to digital resources for people with disabilities. After digital-compliance clauses were added to the U.S. ADA Act, public agencies at all levels faced pressures for system transformation. Shortages of interdisciplinary talents have delayed compliance progress, prompting regulators to introduce compliance extensions that provide a buffer for rectification and talent cultivation. Nevertheless, the extension has not alleviated talent-supply contradictions. Instead, it has triggered project stagnation, formalized construction and low acceptance rates upon inspection. The structural talent gap has become a core obstacle to the implementation of ADA compliance. Policy extensions have reshaped the talent supply-demand characteristics of public agencies, calling for special quantitative and mechanism-oriented research.

1.2 Domestic and Overseas Research Status

Existing domestic and overseas studies on ADA compliance and digital accessibility mostly focus on legal-text interpretation, WCAG-based technical retrofitting, compliance risks and litigation cases, emphasizing technical

and legal dimensions. Although some literature mentions talent shortages, such content is only briefly described as background information without quantitative measurement or mechanism analysis. Overseas research has documented phenomena such as talent mismatch in the public sector, long job-recruitment cycles and insufficient full-time positions, yet studies have not incorporated the policy-extension variable. Domestic research mainly concentrates on domestic government-affairs accessibility construction, with limited discussion on ADA policy dynamics and the mechanisms behind talent gaps. Current literature overlooks the impacts of policy-timeline adjustments on public-sector talent markets and lacks multi-dimensional configurational empirical analysis. Research gaps remain in explaining the formation logic of talent gaps amid compliance extensions.

1.3 Research Questions

Considering research deficiencies and practical dilemmas, this paper focuses on the perturbation scenario of the ADA compliance-extension policy and puts forward three core research questions:

1) Under compliance-extension conditions, what quantitative characteristics define digital-accessibility talent gaps among U.S. public entities? What are the practical manifestations and distribution patterns of the four-dimensional gaps: quantity, quality, structure and cognition?
2) How do factors from the institutional, organizational, industrial and educational dimensions couple together to induce digital-accessibility talent gaps within public entities?
3) What moderating role does the ADA compliance-extension policy play in the formation mechanism of talent gaps? How do its buffering and paralyzing effects influence talent-reserve decisions of public entities and the industry-wide talent-supply landscape?

1.4 Research Innovations

Three major innovations are presented in this paper:

1) **Innovation in research perspective**: Breaking away from traditional technical and legal perspectives, this paper takes policy-extension perturbation as the entry point to explore the transmission mechanism of compliance-timeline adjustments on public-entity talent markets, filling research gaps regarding policy time-effects and accessibility-talent mismatch.
2) **Innovation in research content**: A four-dimensional talent-gap measurement system is constructed to refine multi-dimensional representations of talent shortages, overcoming limitations of previous general qualitative descriptions.
3) **Innovation in research methods**: Departing from conventional single linear regression analysis, fsQCA configurational analysis is introduced to reveal multiple equivalent causes arising from concurrent multi-factor coupling. It accurately explains differentiated formation paths of talent gaps across different public entities and improves the scientific validity and explanatory power of research conclusions.

The findings can improve the quality and efficiency of compliance construction for U.S. public entities and provide foreign experience and theoretical references for building China's public digital-accessibility talent system.

2. Literature Review and Theoretical Foundations

2.1 Theoretical Origins of Digital Accessibility and ADA Compliance

The theoretical foundation of digital accessibility is built upon two theories: digital human rights and non-discriminatory governance. Its connotation has expanded from simple technical adaptation to a guarantee mechanism for public-service rights. Serving as a practical benchmark, WCAG technical specifications offer unified technical criteria for system evaluation, retrofitting and acceptance. However, technical standards themselves carry no legal enforceability and require legislation to translate obligations into practice.

Public Entities: Organizations whose core objective is public-service provision, constrained by public finance, procurement systems and personnel staffing rules. Their accessibility construction is not profit-oriented. Such institutional attributes distinguish them from commercial organizations with regard to resource constraints, decision-making logics and risk perceptions.

Title II of the ADA Act brings digital services under non-discrimination protections for people with disabilities, requiring state and local public entities to ensure equal access to online public services for disabled groups (Loi, D., & Cuccurullo, C., 2022). A policy extension is a regulatory time-adjustment measure that does not waive compliance obligations but merely postpones completion deadlines. According to policy-signal theory, deadlines function as market signals. Timeline revisions alter organizational risk perceptions, affect resource allocation and talent-investment decisions, and produce two organizational responses: buffering effect and paralyzing effect (Smith & Williams, 2025). The buffering effect provides agencies with preparation windows to facilitate talent development and system upgrading. The paralyzing effect misleads organizations regarding policy requirements and delays resource investment. This dual-effect framework constitutes the core theoretical basis for analyzing

talent gaps in this paper.

2.2 Theoretical Foundations of Talent Gaps and Labor Mismatch

Labor-market mismatch theory underpins the four-dimensional division of talent gaps in this study. Traditional mismatch theory identifies three categories: quantity mismatch, skill mismatch and spatial mismatch, mostly applied to industrial labor-market analyses. The original three-dimensional framework exhibits limited explanatory power for public-entity scenarios; hence an extended four-dimensional framework of quantity-quality-structure-cognition gap is established:

- **Quantity Gap**: Corresponding to conventional quantity mismatch, referring to insufficient total supply of qualified practitioners to satisfy project demands.
- **Quality Gap**: Corresponding to skill mismatch, focusing on deficiencies in practitioners' competence structures.
- **Structural Gap**: Emphasizing imbalances in post setting, employment modes and talent distribution, reflecting unique contradictions stemming from public-sector staffing systems and outsourcing models.
- **Cognitive Gap**: A mismatch type peculiar to public organizations, representing insufficient budget and post investment caused by cognitive biases among management, a dimension rarely addressed for private markets.

Organizational inertia theory further explains behavioral logics of public entities. When confronted with emerging compliance obligations, public organizations demonstrate path dependence in existing resource allocation and post configuration. Even under external compliance pressures, they tend to maintain established operation patterns instead of proactively creating new positions or delivering internal skill training. When policy extensions weaken external pressure signals, organizational inertia intensifies and delays the development of talent systems.

Configurational causation theory justifies the adoption of fsQCA in this research. In social reality, few complex outcomes stem from a single decisive antecedent; outcomes are usually triggered by coupled combinations of multiple preconditions with multiple equivalent paths. Talent gaps cannot be attributed to any single factor. Insufficient budgets, poor cognition or inadequate educational supply alone may not directly result in severe gaps. Severe talent crises only emerge under combined conditions. Therefore, conventional regression paradigms focusing on variable "net effects" have limitations, and the configurational perspective better fits the research context (Johansen, S., & Howard, D., 2024).

2.3 Digital-Accessibility Talent Competence System and Antecedent Variables

Digital-accessibility talents belong to the interdisciplinary compound-talent category. Their competence system can be decomposed into three layers as shown in Table 1.

Table 1. Layered Competence System for Digital-Accessibility Talents

Competence Layer	Core Competencies	Practical Manifestations
Technical Execution Layer	WCAG standard implementation, accessibility evaluation and testing	Complete system technical adaptation, deliver evaluation reports
Compliance Governance Layer	ADA compliance interpretation, project risk control	Governing project compliance boundaries, managing outsourced vendors
User-Research Layer	Research with disabled users, inclusive-service design	Optimize public services from end-user perspectives

A large share of practitioners in the market only possess competencies at the technical-execution layer and lack capabilities in compliance governance and user research, which constitutes the direct source of quality gaps.

Based on theoretical review, antecedents of talent gaps fall into four groups: institutional, organizational, industrial and educational conditions. ADA compliance extension serves as a moderating variable that modulates the influence strength of each antecedent through organizational risk perception. Accordingly, a four-dimensional analytical framework embedding this moderating variable is constructed, and two research propositions are proposed:

Proposition 1: Severe talent gaps within public entities cannot be triggered by any single antecedent independently; they represent multiple-equivalent outcomes generated through configurational coupling of multi-dimensional conditions.

Proposition 2: The ADA compliance extension does not directly produce talent gaps. It exerts moderating effects

by reshaping organizational risk perception and amplifies talent-gap risks in organizations with weak management-level cognition.

3. Research Design

3.1 Research-Method Selection

A mixed-method paradigm is adopted. Qualitative work includes policy-text coding and 19 semi-structured expert interviews with informants including public-entity information directors, vendor technical supervisors and compliance specialists. Quantitative work comprises questionnaire surveys for sample data and fsQCA (fuzzy-set Qualitative Comparative Analysis) for configuration identification. Breaking the net-effect mindset of traditional regression analysis, fsQCA is suitable for analyzing complex social phenomena characterized by multiple concurrent and equivalent causal paths and can identify distinct condition combinations leading to identical outcomes.

3.2 Sample and Data Collection

Questionnaires were distributed to local-government branches, public universities, public medical institutions and accessibility vendors across North America. After eliminating invalid responses, 217 valid samples were retained. Sample distribution is presented in Table 2.

Table 2. Statistics on Sample Institutional-type Distribution

Institution Type	**Sample Count**	**Sample Proportion (%)**	**Average Annual IT Budget (Thousand USD)**
Local-government Public Sectors	82	37.79	1 286
Public Higher-education Institutions	71	32.72	2 743
Public Medical Institutions	44	20.28	2 115
Third-party Accessibility Vendors	20	9.21	-

NVivo software was used for open coding and axial coding of interview materials (Van der Geest, T., & Blanck, P., 2021). Thirty-two policy documents including the ADA Act text, compliance-extension announcements, regulatory guidelines and government-procurement public files were collected and coded for policy-signal intensity. All questionnaire variables were measured using 5-point Likert scales. Reliability and validity tests yielded Cronbach's $\alpha = 0.816$, composite reliability (CR) > 0.7 for all constructs and average variance extracted (AVE) > 0.5, satisfying basic empirical-analysis requirements.

3.3 fsQCA Variable Operationalization and Calibration

Outcome Variable: High-level talent gap. A composite score was synthesized from four-dimensional gap indicators. Raw data were calibrated for fuzzy-set analysis with full-membership threshold = 0.8, crossover point = 0.5 and full-non-membership threshold = 0.2.

Seven antecedent conditions were selected: insufficient institutional accountability, constrained organizational budgeting, insufficient management-level cognition, heavy outsourcing dependence, weak industrial salary attractiveness, insufficient educational supply, and weakened risk perception caused by compliance extension.

After calibration, necessity-condition testing was performed followed by sufficiency configurational analysis. Consistency threshold was set at 0.75 and case-frequency threshold at 2. Complex, parsimonious and intermediate solutions were generated; the intermediate solution was adopted as core interpretation output. All interviewees and institution names were anonymized to satisfy data-ethics requirements and mitigate sample bias risks.

4. Descriptive Statistics of Practical Manifestations of Talent Gaps

Quantitative descriptive statistics of the four-dimensional talent gaps were computed from the 217 valid samples to depict real-world conditions of public-entity talent markets under ADA extension.

4.1 Quantitative Characteristics of Quantity Gap and Quality Gap

Among the surveyed samples, the average filling cycle for accessibility-related posts reached 14.7 weeks, far exceeding the 6.8-week average for ordinary IT positions. Persistent accessibility-post vacancies existed in 38.71 % of respondent institutions. Regarding practitioner competencies, merely 22.12 % of respondents simultaneously mastered three core competencies: WCAG evaluation, compliance review and disabled-user research. Most practitioners only possessed basic web-adaptation skills without compliance or user-research capabilities. Inadequate personnel competence directly harmed project quality. The formula for calculating the

accessibility-project rework rate is as follows:

$$R_{rework}=\frac{N_{rework}}{N_{total}}\times 100$$

Where: R_{rework} denotes accessibility-project rework rate; N_{rework} represents the number of projects requiring secondary revisions; N_{total} is the total number of accessibility-retrofitting projects. Sample estimation yields an average rework rate R_{rework}=31.4 for outsourced public-entity accessibility projects. Rework incidents correlate significantly with insufficient interdisciplinary competencies among practitioners.

4.2 Statistical Results of Structural Gap and Cognitive Gap

Table 3 summarizes statistics related to post structures. Full-time dedicated accessibility posts remain rare within public entities, and most work is undertaken by part-time staff or external vendors.

Table 3. Statistics on Accessibility-post Structures in Public Entities

Statistical Item	**Statistical Value**
Share of institutions with dedicated full-time accessibility posts	16.59 %
Share of institutions relying entirely on part-time staff for accessibility work	62.21 %
Share of institutions with 100 % outsourced retrofitting projects	47.00 %
Average proportion of special accessibility budget within total IT budget	1.84 %

Only 16.59 % of institutions established dedicated full-time positions (Smith, A., & Williams, R., 2025); 62.21 % assigned accessibility tasks to existing IT staff on a part-time basis. Forty-seven percent of institutions outsourced all retrofitting assignments to vendors. Special accessibility budgets accounted for merely 1.84 % of overall IT budgets on average, reflecting insufficient resource investment stemming from cognitive gaps. Regarding perceptions of the compliance-extension policy, 54.38 % of institutional managers interpreted the extension as temporary relief from compliance pressure and postponed talent recruitment and internal training. Only 21.20 % proactively utilized the extension window to advance talent-team construction, and the rest adopted a wait-and-see stance.

Correlation analysis shows moderate correlations between each antecedent condition and the composite talent-gap score, with maximum correlation coefficient of only 0.427. No strong linear relationships exist among variables, indicating limited explanatory power for single variables and justifying configurational analysis to explore multi-condition coupling effects.

5. Empirical Configurational Analysis of Causes for Talent Gaps

5.1 Necessity Test for Single Conditions

Necessity-condition analysis was implemented to examine whether any single condition constitutes a necessary condition for high-level talent gaps (i.e., whether the condition appears across most high-gap cases). Consistency values for all antecedents ranged from 0.472 to 0.684, all below the 0.9 threshold for necessary-condition identification. This result validates Proposition 1: no single necessary condition independently produces talent gaps. Talent gaps arise from concurrent interplay of multiple conditions and cannot be explained by isolated factors.

5.2 Interpretation of Sufficiency-Condition Configurational Results

The fsQCA intermediate solution outputs three equivalent configurations, all leading to high-level talent gaps. Overall solution consistency = 0.841 and overall coverage = 0.726, indicating satisfactory model fitness. Configurational outcomes are shown in Table 4.

Table 4. Configurational Results for High-level Talent Gaps (Intermediate Solution)

Configuration ID	**Configuration Combination**	**Raw Consistency**	**Unique Coverage**
Configuration 1	Insufficient institutional accountability × Insufficient management-level cognition × Weakened risk perception from compliance extension	0.863	0.217
Configuration 2	Constrained budgeting × Heavy outsourcing dependence ×	0.829	0.243

	Weak industrial salary attractiveness		
Configuration 3	Insufficient educational supply × Weak industrial salary attractiveness × Lack of internal-training investment	0.812	0.189

Configuration 1: Policy-wait-and-see Gap: Core conditions include insufficient institutional accountability, insufficient management-level cognition and weakened risk perception induced by compliance extension. Such institutions (28.2 % of samples) have relatively sufficient budgets yet face weak external accountability pressure. The extension erodes management crisis awareness; institutions refrain from creating dedicated posts or delivering internal training and passively await compliance deadlines. Interview evidence reveals that some organizations downgraded accessibility-retrofitting priorities and shelved talent-reserve plans, demonstrating the policy paralyzing effect and verifying Proposition 2: compliance extension is not the root source of gaps but amplifies negative impacts of organizational cognitive deficiencies.

Configuration 2: Resource-constrained Gap: Antecedent conditions are constrained budgeting, heavy outsourcing dependence and weak industrial salary attractiveness. Thirty-four point one percent of sampled institutions are restricted by fiscal and staffing rules and cannot add dedicated posts, relying fully on outsourcing for retrofitting. Average salaries for vendor-side accessibility positions are 22.3 % lower than comparable IT roles, resulting in poor vendor internal talent reserves. Supply-side deficiencies propagate to public entities. Even with transformation willingness, institutions struggle to recruit qualified personnel and project progress remains persistently hindered.

Configuration 3: Supply-capacity Gap: Condition combination: insufficient educational supply, weak industrial salary attractiveness and lack of internal-training investment. Only 19.6 % of sampled institutions provided internal accessibility-skill training. Vendor salaries lag behind ordinary development positions by 22.3 %. Universities and social-training programs produce limited numbers of interdisciplinary talents, leading to a small talent pool. Dual constraints from insufficient external recruitment and absent internal on-the-job development generate talent gaps.

5.3 Heterogeneous Discussion on the Dual Effects of Compliance Extension

Case comparisons illustrate the dual effects of compliance extension. Public entities with high-level cognition treat the extension as a preparation window, proactively conducting staff training and screening vendor-talent qualifications, which mitigates talent gaps and exemplifies the buffering effect. By contrast, for organizations with poor management cognition, the extension produces prominent paralyzing effects and delays all talent-related arrangements. The ultimate policy outcome heavily depends on intrinsic organizational attributes; the policy itself yields neither uniformly positive nor negative results.

Findings are compared against existing literature. Prior research often emphasizes isolated factors such as insufficient educational supply or public-sector staffing constraints. This study confirms that such shortcomings produce severe gaps only when combined with other conditions; isolated weaknesses do not necessarily trigger crises.

6. Derived Risks and Practical Governance Dilemmas of Talent Gaps

Talent gaps are not merely human-resource issues. They propagate along compliance chains and generate multiple practical risks:

- **Compliance-related Legal Risks**: Extensions only postpone compliance deadlines and do not waive legal obligations. Without qualified talents, accessibility retrofitting becomes superficial and fails technical assessments, exposing institutions to subsequent litigation and regulatory penalties. Sample statistics show that each unit increase in composite talent-gap scores raises the probability of compliance disputes by 0.317.
- **Digital-human-rights and Inclusiveness Risks**: Poor accessibility quality for public-websites, medical and educational platforms prevents people with disabilities from equal access to public digital resources and undermines equity in public services.
- **Fiscal-fund-waste Risks**: Insufficient practitioner competence causes repeated rework for outsourced projects, increasing public-fiscal expenditures. The aforementioned average rework rate of 31.4 % represents substantial ineffective public investment.
- **Industrial-vicious-cycle Risks**: Low-quality projects reduce industry social recognition, further lowering position attractiveness and discouraging talent inflow and creating negative feedback loops.

Real-world governance dilemmas are summarized across institutional, organizational, industrial and educational dimensions: Institutional dimension, The ADA Act primarily specifies outcome-oriented retrofitting obligations

with few supporting guidelines for talent development. Government-procurement systems rarely incorporate vendor accessibility-talent qualifications into evaluation criteria. Organizational dimension, Public-entity performance-assessment systems lack indicators related to digital accessibility, removing institutional incentives for management to promote talent-system construction. Industrial dimension, No nationally unified and widely-recognized graded-certification system exists for digital-accessibility talents. Organizations face difficulties in objectively evaluating real-world practitioner competence. Educational dimension, Digital accessibility is interdisciplinary across computer science, public administration and special education, accompanied by high disciplinary barriers. University-course coverage remains low, and quality varies widely across social-training programs.

7. Multi-Dimensional Collaborative Governance Paths

Based on configurational empirical findings and making full use of the compliance-extension time window, actionable governance solutions are proposed for institutional-policy, public-organizational, industrial-market and educational-training dimensions, corresponding to multiple conditional drivers of talent gaps and avoiding generic countermeasures.

7.1 Improvement of Supporting Rules at Institutional-Policy Level

To mitigate public-entity digital-accessibility talent gaps amid compliance extension, governance countermeasures regarding post allocation, procurement mechanisms and regulatory guidance are put forward:

1) **Release tiered talent-construction guidelines for public entities**: Establish differentiated reference standards for post configuration for large-scale public universities, medical institutions and small local public agencies instead of one-size-fits-all requirements. Large organizations are encouraged to create dedicated posts; small-and-medium-sized entities may adopt the model of "designated core personnel + outsourced execution".
2) **Optimize public-procurement evaluation mechanisms**: Incorporate vendor accessibility-talent qualifications and the number of certified staff into government-procurement scoring criteria to compel vendors to build talent reserves and drive industry-wide talent development from the demand side.
3) **Balance accountability and expectation guidance**: Regulators shall continuously send clear signals that extensions do not waive obligations to curb false market expectations of indefinite postponement. Promote the establishment of unified industry-wide graded-competence certification frameworks for digital-accessibility talents to provide objective references for institutional talent screening.

Additional actionable improvement strategies for organizational, industrial and educational dimensions are derived from configurational analysis results:

- **Public-entity organizational dimension**: Leverage the extension window for talent reserve. Given that merely 16.59 % of sampled institutions have dedicated posts, large-scale organizations shall create dedicated positions as appropriate. Small-and-medium-sized institutions shall assign special-task leaders to govern outsourcing quality. Integrate accessibility content into continuing education for IT staff and include relevant outcomes in performance appraisal to raise management attention.
- **Industrial-market dimension**: Strengthen vendor talent systems. Vendors shall implement on-the-job tiered training to fill competence gaps in compliance review and disabled-user research. Industry associations shall optimize project models and develop long-term accessibility-operation-and-maintenance services to stabilize posts and salaries and reduce talent turnover.
- **Educational-training dimension**: Expand interdisciplinary talent supply. Universities shall offer interdisciplinary courses on digital accessibility across multiple majors. Social continuing-education programs for practicing IT professionals shall be developed to increase output of compound-competence talents.

7.2 Foreign-Inspiration Implications for China's Public Digital-Accessibility Construction

China's government-affairs digitalization is advancing steadily, bringing growing demands for digital accessibility for public platforms. Foreign experience indicates that issuing technical standards alone cannot guarantee implementation; parallel attention must be paid to talent-system construction. China shall improve accessibility-talent evaluation criteria within public procurement, promote relevant interdisciplinary teaching content in universities and prioritize capacity-building for internal public-agency personnel, avoiding the pitfall of emphasizing technical standards while neglecting talent reserves.

8. Conclusions, Research Limitations and Future Prospects

8.1 Main Research Conclusions

Synthesizing empirical analysis results, three major conclusions are drawn:

1) Under ADA compliance-extension conditions, digital-accessibility talent gaps within public entities can be categorized into quantity, quality, structural and cognitive gaps. Policy extensions exert dual buffering and paralyzing effects, and most organizations demonstrate wait-and-see and delaying behaviors. Sample statistics report an average post-filling cycle of 14.7 weeks, average outsourced-project rework rate of 31.4 %, and only 16.59 % share of institutions with dedicated accessibility posts. Talent contradictions exhibit clear quantitative real-world manifestations.
2) No single decisive necessary condition generates talent gaps; gaps emerge from coupled interactions among institutional, organizational, industrial and educational factors. Three equivalent inducing configurations are identified: policy-wait-and-see type, resource-constrained type and supply-capacity type. Talent-gap formation paths differ substantially across organizations.
3) The ADA compliance-extension policy does not directly create talent gaps; it functions primarily as a moderator by reshaping organizational risk perception. When management-level cognition is deficient, extensions significantly amplify talent-gap risks. Resolving talent contradictions cannot rely passively on policy windows; coordinated efforts across institutions, organizations, industries and education sectors are indispensable.

8.2 Research Limitations

Questionnaire samples are collected from North-American public entities and accessibility vendors including local governments, public universities, medical institutions and third-party organizations. Nevertheless, geographic coverage is limited, creating sample-boundary constraints. fsQCA configurational conclusions are conditional on case characteristics and shall be generalized cautiously to other institutional contexts. Some core variables are measured via respondent subjective-perception scales and are susceptible to individual cognitive biases. Furthermore, this is a cross-sectional study capturing conditions at a single time-point. It cannot observe dynamic talent-gap evolution after compliance-extension expiration or fully isolate confounding factors such as concurrent industry policies and market fluctuations, limiting explanatory power regarding causal chronology.

8.3 Future-Research Prospects

Limitations remain in data sources, research contexts and evaluation systems. Further explorations may focus on longitudinal tracking, cross-national comparison and evaluation-tool development:

1) **Longitudinal-tracking research**: Track dynamic talent-gap evolution after ADA compliance deadlines arrive and collect multi-wave panel data to reveal temporal changes in talent supply-demand relationships triggered by policy-threshold shifts, compensating cross-sectional-data limitations.
2) **Cross-national comparative analysis**: Conduct configurational comparisons of digital-accessibility talent gaps across countries and institutional contexts, identifying how institutional-environment differences shape talent-gap formation paths and improving the external validity of configurational findings.
3) **Evaluation-tool development**: Develop standardized comprehensive-assessment instruments for digital-accessibility talents and construct quantifiable competence-evaluation indicator systems to provide technical support for industry talent selection and on-the-job competence assessment.

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Paradigm Academic Press
Law and Economy
ISSN 2788-7049
SEP. 2026 VOL.5, NO.3

The Definition of 'Migrant Worker' in International Law: Adequacy and Gaps

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doi:10.63593/LE.2788-7049.2026.09.010

Abstract

This paper critically examines the conceptualization of a migrant worker in international law. It emphasizes the importance of definitional clarity for understanding the concept of a migrant worker in particular. The paper further contests the qualification of certain categories of migrants as migrant workers under ILO Convention No. 97 concerning Migration for Employment and the UN Convention on the Protection of the Rights of All Migrant Workers and Members of their Families, 1990, arguing they prima facie fail to require the 'attainment of the status of a worker' for any migrant to qualify as a migrant worker, which should be the prerequisite for validating someone as a worker, using a doctrinal legal research approach.

Keywords: definition, migrant worker, international law, adequacy, gaps

1. Introduction

The importance of the definition of concepts in Law cannot be overemphasized. Conceptual definitional clarity aids understanding of concepts and situates them in context whenever the need arises. The concept of a 'migrant worker' is one of those concepts in international law that needs definitional clarity; since, as per the definition of the concept 'migrant worker' in relevant international law instruments, one may be tempted to misconceive its true meaning to the effect that other categories of migrants are considered to fall within the prism of migrant workers.[1]

Therefore, because of this definitional misconception in relevant international law instruments, this paper becomes very relevant, as it probes into the definition of the concept of a 'migrant worker' in relevant international law instruments and proffers a classical definition of the concept as ought to be understood in practical International Labour law. In doing this, the paper examines the choice to work as the basis for the attainment of the status of a worker, it discusses the methodology adopted for the study, it further categorizes the term 'migrant worker' as used in this paper, it also contextualizes international law as used in this paper, it further probes into the definitions of the concept of a 'migrant worker' in relevant international law instruments, it then criticizes the definition of the concept of a 'migrant worker' as propounded in relevant international legal frameworks and finally ends with a conclusion and a recommendation.

2. The Choice to Work as the Basis for the Attainment of the Status of a Worker (Migrant Worker)

The protection of the rights of workers and provision of decent working conditions has been man's major concern for a very long time. This idea was first coined 'Decent Work' by the ILO in a report published in 1999 when it described the goal of decent work as 'not just the creation of jobs, but also the creation of jobs of

[1] Other categories of migrants are included in the definition of migrant workers.

acceptable quality.'[1] Justice Forbang in *Akamangwa Martin v. SONARA*[2] described the right to work as 'sacrosanct.' It follows from this judicial statement that citizens' right to work is so important that it cannot be interfered with, and the States are obliged to provide work and guarantee its security and performance by the contractual parties under acceptable conditions.

The right to work is sacrosanct in that it gives mankind the opportunity to be economically empowered. On this view, Mak[3] argues that there is a systematic correlation between poverty and unemployment. This is so in that without the right to work, mankind will be unemployed and will have no means of meeting their daily needs. Unemployment always goes along with poverty and generally hinders socio-economic development. In this way, the right to work is regarded as a valuable activity contributing to human flourishing,[4] a source of identity, self-realization[5] and fulfillment.[6]

It is against this backdrop that most individuals usually migrate within or without a State in search for such employment opportunities in their regions or host countries. When they eventually meet such employment opportunities and accordingly conclude an employment contract thereof, they transcend from ordinary migrants to migrant workers. It follows from this line of reasoning that it is the conclusion of an employment contract with a named employer in the host region or country that gives a migrant the status of a migrant worker and not the mere act of migration. Therefore, migrant workers are migrants *sui generis* in that, despite being ordinary migrants, they have attained a different status from their peers; that is the status of 'a worker' through the conclusion of an employment contract in their host region or State, making them migrant workers.

3. Methodology

The methodology employed in the analysis offered in this paper is purely qualitative. The research method used in accomplishing this methodology is doctrinal which consists of the content analysis of both primary and secondary sources of data. The primary sources of data used here include case law and legislations such as ILO Convention 97 and Recommendation 86 on Migration for Employment 1949, ILO Convention 143 and Recommendation 151 on Migrant Workers, The European Convention on the Legal Status of Migrant Workers 1997, The United Nations Convention on the Protection of the Rights all Migrant Workers and Members of their Families, 1990, amongst others while the secondary sources of data consist of text books, journal articles and websites.

4. The Categorization of Migrant Workers

Migrant workers as conceptualized in this study are divided into two broad categories; we have internal migrant workers and external migrant workers. Internal migrant workers comprises of persons who have journeyed within a country; by moving from one region of the same country to another[7] or by moving within the same region of a country,[8] and have taken up paid employment in the said region or area. Whereas, external migrant workers are individuals who have journeyed out of their country of origin or residence due to unemployment, underemployment, poverty, conflicts and wars, amongst others, and have taken up remunerated activities in their host States.

5. The Conceptualization of International Law in the Context of This Paper

The term International Law as used in this paper includes; relevant United Nations instruments such as the

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[1] www.eurofound.europa.eu/observatories/eurowork/industrial-relations-dictionary/decent-work Accessed on 10/1/2025.

[2] Suit No. HCF/L.011/2000-2001 (Unreported).

[3] Mak, B. (2016). The right to work: Legal and philosophical perspectives. *Industrial Law Journal, 45*(3), 465–475.

[4] Bogg, A. (n.d.). Only fools and horses: Some skeptical reflections on the right to work. In B. Mak (Ed.), *The right to work: Legal and philosophical perspectives*. *Ibid.*

[5] *Ibid.*

[6] Davidov, G. (2016). *A purposive approach to labour law* (p. 43). Oxford University Press. Work is also instrumentally valuable as a source of income which enables mankind to live a decent life. The right to work was a socialist claim resulting from an unemployment crisis due to foreign competition between the French and the English industries to the effect that the French industry could not maintain employment levels. As such, the French government instituted the right to work in a bid to guarantee employment. The right to work was coined by the French socialist leader Louis Blanc in light of the social turmoil of the early 19th century and rising unemployment in the wake of the 1846 financial crisis which led up to the French Revolution of 1848. See generally Priscilla, R. S. (1952). *Revolutions of 1848: A social history* (p. 69). Princeton University Press.

[7] For example, moving from the conflict affected areas of the South West Region of Cameroon to the West and other regions of the country.

[8] Such as the movement of persons from the conflict affected areas (such as; Ikata, Muyenge, Ikliwindi Mile 12 and 16 etc) of the South West Region of Cameroon to stable areas of same region such Limbe, Tiko, and party of Buea.

International Convention on the Protection of the Rights of all Migrant Workers and Members of their Families (ICPRMWMF) 1990, ILO instruments such as the Migration for Employment (Revised) Convention, 1949 (ILO Convention 97), the Migrant Workers' (Supplementary Provisions) Convention, 1975 (ILO Convention 143), the Migration for Employment Recommendation (Revised), 1949 (ILO Recommendation 86) and the Migrant Workers' Recommendation, 1975 (ILO Recommendation 151). Regional instruments[1] such as the European Convention on the Legal Status of Migrant Workers, 1997, the Protocol to the treaty establishing the African Economic Community on the Free Movement of Persons, Right of Residence and Right of Establishment, 2018 and supra-national laws such as the ECOWAS Protocol on the Free Movement of Persons and the Right to Residence and Establishment, 1979 also constitutes the content of international law as use in this paper.

6. A Migrant Worker Distinguished from Other Categories of Migrants

Though there are several[2] definitions of the term 'Migrant worker,' unfortunately, some scholars[3] opine that there is no universally acceptable definition of this term. This reasoning is premised on the fact that it is impossible to draw a sharp line between 'migration for work' and 'migration.' This view doesn't hold sway in this paper. The term 'migrant worker' is self-explanatory. As conceptualized in this paper, a migrant worker is first and foremost an immigrant (in the case of external migration) who has attained the status of a worker in his host country by being gainfully employed. Therefore, the term 'migrant worker' cannot be used interchangeably with 'migration for work'[4] or 'migration' since these terms are construed to mean entirely different things. Literally, migration for work has two connotations; it is either migration within or without a State for an anticipated employment or it is a kind of migration within or without a State occasioning the conclusion of an employment contract, be it electronically or through other means. Migration itself refers to the movement of persons within or without a State. It follows that the terms 'migration for work' and 'migration' are not the same as the term 'migrant worker' and as such cannot be taken to mean the same things. However, the second limb of the definition of 'migration for work' as proposed above suggests the attainment of the status of a worker by the migrant and as such can be used interchangeably with the term 'migrant worker'.

Commenting on the absence of a harmonious definition of the term 'migrant worker', Chetail argues that 'migration'; all types of migrations combined, is commonly perceived as 'a movement of people leaving or entering a State, to enter another State in order to reside on a permanent or temporary basis.'[5] This definition, therefore, covers emigration (departure or travel), immigration (arrival in the host country), and residence and possibly return.

In more general terms, a migrant worker can be defined as 'a natural person who leaves or who has left the country in which he /she is resident with the intention of moving to another country, of which he/she does not have nationality for the purposes of employment.'[6]. This reasoning is not *in tandem* with the analysis offered in this paper. Migration for the purposes of employment doesn't qualify someone as a 'migrant Worker.' An immigrant anticipating employment in his/her host country is not yet a migrant worker. They only become migrant workers when they have attained the status of a worker by entering into a valid subsisting contract of employment with a named employer in his/her host country. However, in the situation where the immigrant has already concluded an employment contract with a name employer based in the host country prior to migrating,

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[1] Such the African, the Inter-American and the European regional instruments. Though these instruments do not provide the definition of a migrant worker, they at least safeguard the core labour rights of this caliber of workers.

[2] Article 2 (1) of the UN Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families 1990, defines "migrant worker" in general terms. The definition includes any person who is to be engaged, is engaged or has already been engaged in a remunerated activity in a State of which he or she is not a national. Excluded from the above definition are personnel of international organizations, persons who are employed by a State outside its territory, investors, refugees and stateless persons, students, trainees, seafarers and workers on an offshore installation provided that they have not been admitted to take up residence and engage in a remunerated activity in the State of employment. On its part article I1 (1) of the ILO Convention No. 97 on Migration for Employment (revised), 1949 defines a migrant worker as a person who migrates from one country to another for the purpose of employment. This definition includes any person who is regularly admitted as a migrant for employment.

[3] See V. Chetail, V. (2008). *Code of international migration law*. Bruylant. Cited in Papinot, C. (2014). *International protection of migrant workers* (PhD thesis, Paris West University Nanterre), p. 19.

[4] This is a situation wherein someone journeyed within or without his/her country with the intention of gaining an employment. Until the said employment is gained, then such a person can be term a migrant worker.

[5] *Ibid.*

[6] At this instance, the said migrant is considered as an alien until he/she acquired the nationality of the said country. See generally the report of Global Commission on International Migration. (2005). *Migration in an interconnected world: New directions for action* (p. 6). GCIM.

he/she remains a migrant worker, since he/she has already attained the status of a worker by concluding an employment contract in the host country prior to migrating. These employment contracts could be concluded from a distance through an online negotiation or through an agent of the employer in the country of departure.

Migrants, and migrant workers in particular, can be placed in numerous, and often multiple categories, as being in a regular or irregular situation, having migrated temporarily or permanently, as being low skilled or high skilled, or as being students, an accompanying family member, refugees, or asylum seekers.[1] What qualifies these categories of migrants for the status of migrant workers is their ability to be gainfully employed in their host countries/communities. It flows from this analytical view point that the qualification of migrants, no matter the types, as migrant workers should be obsolete and not fashionable in classical international labour law. This view, as seen above, is informed by the fact that for one to be term a worker, whether domestic or international, he/she must have attained the status of a worker.

It follows from this line of reasoning that in defining the term 'migrant worker' one has to take into consideration all the categories of migrant workers, be it those under regular and irregular migrations,[2] refugees working in the host countries, migrant students working in the host countries, asylum seekers working in the host country, among others. The choice of these categories of migrants is justified by the fact that the objective of finding a job and better living conditions is one of the main motivations for migration.

In the light of the foregoing definition, the terms migration for work, migrant, and migrant worker should not be used interchangeably. Migration for employment simply means a situation where someone leaves his/her country of origin/residence to another country in view of gaining employment; until such an employment is obtained, he/she remains a migrant and not a migrant worker. Whereas a migrant is anyone who has moved out of his/her country of origin to another country for a variety of reasons, such as studies, business, medical reasons, amongst others. A migrant worker, on its part, is someone who has moved from his/her country/region of origin/residence to another country/region where he/she is gainfully employed in the cases of international and national/domestic migrant workers, respectively.

In line with the above analysis therefore, a person can only become a migrant worker if he/she is gainfully employed in a foreign land/region in the cases of international and domestic migration respectively. In this connection, this researcher does not support the view that upholds students, refugees and migrants for employment as migrant workers. This view is informed by the reasoning that, for one to become a worker, be it a national or international migrant worker, he/she must, first of all, attain the status of a worker, which is usually evidenced by the availability of an employment contract, which could be in writing.[3] It is thus our contention that the basis for according someone the status of a migrant worker should be absolutely premised on his or her attainment of the status of a worker.

While formulating the standards for the protection of migrant workers, members of the ILO and the UN human rights system have addressed themselves to defining this particular group, in order to determine the scope of the envisaged protection standards. For the first time in its history, the ILO tried to formulate a legal definition of 'migrant workers' in its Convention No 97, as 'a person who migrates from one country to another with a view to being employed otherwise than on his own account and includes any person regularly admitted as a migrant worker.'[4] The first limb of this definition remains problematic in that 'a person who migrates from one country to another with a view to being employed' has not yet attained the status of a worker and as such cannot be termed a 'migrant worker' in the strict sense of the word; he/she is simply a migrant.

Some specific groups of workers, such as frontier workers, members of liberal professions and artisans who enter on a short-term basis, and seamen, are excluded from this definition, thus making it narrow and exclusive.

The International Convention on the Protection of the Rights of All Migrant Workers and Members of their Families (ICPRMWMF) 1990 offers us a more comprehensive definition, thus further developing this area. According to this convention, a 'migrant worker' is 'a person who is to be engaged, is engaged, or has been

[1] Global Commission on International Migration. (2005). *Migration in an interconnected world: New directions for action* (p. 6). GCIM. Among the many and complex reasons for such migration are the following: the conflicts and human rights violation, unemployment and/or lack of career opportunities in the country of origin, need for flexible labour force and/or low birth rates in the country of destination, as well as curiosity and entrepreneurship.

[2] That is those who have a valid work contract in the said country as well as those who clandestinely entered the said country and are gainfully employed.

[3] As the case with many employment contracts involving migrant workers.

[4] See Article 11(1).

engaged in a remunerated activity in a State of which he or she is not a national.'[1]

The first limb of this definition (a person who is to be engaged) is not in line with the view of this researcher. In this light, this researcher argues that for a person to be termed a worker, be it nationally or internationally, he/she must, first of all, attain the status of a worker as seen above. This reasoning is premised on the fact that a person who is 'to be engaged' is not yet a worker since, as his/her engagement is still in due course, until when he /she must have concluded the employment contract (attaining the status of a worker), can we term him/her a worker.

However, this definition is more extensive than the definitions in the ILO Conventions and the definitions in other instruments, such as the European Convention on the Legal Status of Migrant Workers.[2] Some categories of migrants, such as frontier workers, project-tied workers and self-employed workers, who were usually excluded from the definition and from the application of the migrant workers' legal framework, are also covered by this definition.[3] Nonetheless, workers employed by international organizations, government employees sent to perform official functions in the host State, persons employed by a State or on its behalf outside the territory to participate in development projects, investors, refugees, stateless persons, students and trainees, seafarers and offshore workers are, for various reasons, excluded from coverage.[4] Whether or not the exclusion is justified, it has slightly limited the application of the Convention.

7. Conclusion

Conclusively, drawing inspiration from the above analysis, it should no longer be fashionable to argue that the term 'migrant worker' has no universally acceptable definition as opined by Chetail. This is so because the conceptual clarification of the term within the context of this paper cannot be overemphasized. Migrant workers, though, are *sui generis*[5], are workers like any other category of workers. It follows that for any migrant, be it a student, refugee, or any other class of migrant, to become a worker as understood in the strict meaning of the word, he/she must have attained the status of a worker by being gainfully employed by a named employer in their host region or country. Thus, by so being employed, the status of such a migrant changes to that of a migrant worker. We therefore submit that provisions of relevant international instruments that upholds migrant students, refugees and persons migrating in anticipation of employment in their host countries as migrant workers, as seen above, should be modified to give the term 'migrant worker' the unique clarification it deserves.

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[1] Article 2 (1) of the ICPRMWMF, 1990.

[2] Article 1 of the European Convention on the Legal Status of Migrant Workers, 1997, defines a migrant worker as 'a national of a Contracting Party who has been authorized by another Contracting Party to reside in its territory in order to take up paid employment.'

[3] Part V (articles 57–63) of the Convention covers these categories of workers.

[4] See article 3 of the ICPRMWMF. The reasons for exclusion and their impact on each specific category of workers have been discussed extensively by Cholewinski. See Cholewinski, R. (1997). *Migrant workers in international human rights law: Their protection in countries of employment* (pp. 153–154). Oxford University Press.

[5] This is because these categories of workers are often seen as vulnerable workers who are often subservient to the labour administration of foreign States.

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Paradigm Academic Press
Law and Economy
ISSN 2788-7049
SEP. 2026 VOL.5, NO.3

Alternative Dispute Resolution Mechanism Used in Resolving Football Disputes

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doi:10.63593/LE.2788-7049.2026.09.011

Abstract

Football, as the world's most popular sport, inevitably generates disputes among players, clubs, agents, and governing bodies. These disputes range from contractual disagreements to disciplinary sanctions and transfer conflicts. Traditional litigation often proves unsuitable due to its cost, delays, and adversarial nature. Alternative Dispute Resolution (ADR) mechanisms provide a more efficient and flexible approach. ADR includes arbitration, mediation, and negotiation as key methods. Arbitration is the most prominent mechanism in football disputes. The Court of Arbitration for Sport (CAS) serves as the supreme body for sports arbitration. CAS ensures neutrality, expertise, and consistency in resolving football conflicts. Mediation emphasizes dialogue and consensus between disputing parties. It preserves relationships and promotes amicable settlements. Negotiation allows direct resolution without third-party intervention. FIFA has institutionalized ADR through its Dispute Resolution Chamber (DRC). The DRC handles transfer disputes and contractual claims between players and clubs. National federations also adopt ADR clauses in player contracts. ADR mechanisms reduce the burden on civil courts worldwide. They guarantee confidentiality and procedural flexibility in sensitive matters. ADR enhances fairness and integrity in football governance. It balances the interests of clubs, players, agents, and federations. Disciplinary and ethical violations are also addressed through ADR frameworks. The effectiveness of ADR strengthens trust in football institutions. It ensures that disputes are resolved swiftly and equitably. Thus, ADR remains indispensable in maintaining harmony and justice in global football.

Keywords: dispute resolution, mechanism, football disputes, international football law

1. Introduction

Football, as the most popular sport worldwide, is not only a source of entertainment but also a multi-billion-dollar industry that inevitably generates disputes among its stakeholders. These disputes may arise between players and clubs, agents and federations, or even among sponsors and governing bodies. The complexity of football disputes stems from contractual obligations, transfer negotiations, disciplinary sanctions, and ethical violations. Traditional litigation, though available, often proves inadequate due to its adversarial nature, high costs, and lengthy procedures. As a result, Alternative Dispute Resolution (ADR) mechanisms have become increasingly important in the football industry. ADR refers to methods such as arbitration, mediation, and negotiation that provide flexible and efficient solutions outside the courtroom.

Arbitration is the most widely used mechanism in football disputes. The Court of Arbitration for Sport (CAS), headquartered in Lausanne, Switzerland, plays a central role in resolving international football conflicts. CAS ensures neutrality, expertise, and consistency in its decisions, thereby enhancing trust in sports governance. Mediation, on the other hand, emphasizes dialogue and consensus, helping parties preserve long-term relationships.

Negotiation allows disputants to reach settlements directly without third-party intervention.

FIFA has institutionalized ADR through its Dispute Resolution Chamber (DRC), which handles transfer disputes and contractual claims. National federations also adopt ADR clauses in player contracts to ensure swift resolution of conflicts. ADR mechanisms reduce the burden on civil courts and promote confidentiality in sensitive matters. They also provide procedural flexibility that accommodates the unique dynamics of football. By balancing the interests of clubs, players, agents, and federations, ADR strengthens fairness in football governance. It further addresses disciplinary and ethical issues that affect the integrity of the sport. The effectiveness of ADR mechanisms has reinforced confidence in football institutions globally. They ensure that disputes are resolved equitably and in line with the principles of justice. ADR thus contributes to maintaining harmony and stability within the football industry. In this context, ADR emerges not merely as an alternative but as an indispensable mechanism for resolving football disputes.

2. Alternative Disputes Mechanisms

Football disputes frequently arise due to disagreements between players, clubs, agents, and governing bodies over matters such as contracts, transfers, wages, and governance. Traditional court litigation, while an option, is often not practical due to its adversarial nature, lengthy processes, and high costs. To address these challenges, the football ecosystem relies on Alternative Dispute Resolution (ADR) mechanisms that prioritize efficiency, cost-effectiveness, and the preservation of relationships. These mechanisms, which include arbitration, mediation, negotiation, conciliation, ombudsman services, and others, provide effective ways to resolve disputes while ensuring fairness and compliance with established rules.

2.1 Arbitration

Arbitration is one of the most widely used ADR methods in football due to its formalized yet flexible structure. It involves the submission of a dispute to one or more neutral arbitrators, who act as decision-makers. Arbitration is particularly effective for disputes that require specialized knowledge of football regulations, such as contractual disagreements or international transfer disputes.[1] For example, when a player claims unpaid wages, the arbitrator examines the contract, the evidence of payment or non-payment, and issues a binding award based on the findings.

In football, arbitration is institutionalized through bodies such as FIFA Dispute Resolution Chamber (DRC) and the Court of Arbitration for Sport (CAS). [2]The DRC specifically addresses disputes involving international transfers, player status, and compensation claims. It acts as a neutral platform where players, clubs, and agents can seek resolution without resorting to national courts. CAS, on the other hand, is the global appellate body for football disputes. When parties are dissatisfied with decisions by FIFA or national federations like FECAFOOT, they escalate the matter to CAS, which delivers a final and enforceable ruling.

Arbitration in football is guided by procedural rules that ensure fairness and efficiency. Parties agree on the terms of arbitration, including the selection of arbitrators and the scope of issues to be resolved. The arbitrator decisions are final and binding, ensuring that disputes are conclusively resolved. Furthermore, arbitration proceedings are confidential, protecting the reputations of the parties involved. This aspect is particularly important in football, where public scrutiny can damage careers and relationships.[3] The use of arbitration extends to governance disputes within football federations. For instance, conflicts between FECAFOOT and the Ministry of Sports and Physical Education over governance or funding allocation can be referred to arbitration to ensure impartiality and compliance with FIFA regulations. Similarly, disagreements over the organization of leagues or the interpretation of sponsorship contracts are often resolved through arbitration.[4]

Arbitration's effectiveness in football stems from its ability to handle complex and high-stakes disputes efficiently. By providing specialized and enforceable solutions, arbitration contributes significantly to maintaining the stability and integrity of the sport at all levels, from grassroots to professional football.

2.2 Mediation

Mediation is another essential ADR mechanism used in football disputes. Unlike arbitration, mediation is a collaborative process in which a neutral third party, the mediator, facilitates discussions between the disputing parties. The mediator helps the parties identify common ground and work toward a mutually agreeable solution. Mediation is non-binding, meaning that the parties retain control over the outcome and can choose whether to

[1] International Council of Arbitration for Sport, Guidelines on Mediation and Arbitration in Sport (2019).

[2] Bjorklund, A. K. (2007). Mandatory rules of law and arbitration. *The American Review of International Arbitration*, 175.

[3] Stipanowich, T. J. (2007). The arbitration penumbra: Arbitration law and the rapidly changing landscape of dispute resolution. Nevada Law Journal, 8, 427.

[4] Confederation of African Football. (2020). CAF disciplinary code (Art. 13).

accept the mediator's recommendations.[1]

In the football industry, mediation is particularly valuable for resolving interpersonal or relational disputes. For example, conflicts between players and coaches over professional conduct or training methods are often resolved through mediation. The process enables both parties to express their concerns and negotiate solutions in a respectful and non-adversarial environment. Mediation can also be used in disputes between clubs and sponsors, where the focus is on preserving long-term partnerships.

Mediation application in football is often guided by the rules and frameworks of governing bodies like FIFA or FECAFOOT. For instance, FIFA encourages mediation as an initial step before disputes are escalated to arbitration or litigation. This approach not only reduces the caseload for arbitration bodies but also promotes amicable settlements that strengthen relationships among stakeholders. In national contexts, mediation is frequently facilitated by dedicated committees within federations, ensuring that disputes are resolved locally and informally. One notable area where mediation is used is in governance disputes within federations. When disagreements arise over the organization of leagues or the allocation of resources, mediation provides an opportunity for stakeholders to address their concerns without escalating conflicts. This is particularly important in Cameroon, where governance conflicts between FECAFOOT and MINSEP have historically disrupted football activities. Mediation offers a practical solution by allowing both parties to negotiate terms that align with national laws and FIFA regulations.[2]

Mediation effectiveness lies in its ability to promote understanding and compromise. By focusing on the interests of the parties rather than their positions, mediation fosters creative solutions that address the underlying causes of disputes.[3] This approach is particularly important in football, where the preservation of relationships and the continuity of the sport are paramount.

2.3 Negotiation

Negotiation is the most direct form of dispute resolution and serves as the foundation for many ADR processes. It involves the disputing parties engaging in discussions to reach an agreement without the involvement of a third party. Negotiation is often the first step in resolving football disputes, as it allows parties to address their issues informally and efficiently. In the context of football, negotiation is widely used in player transfer disputes. As an illustration, when a club seeks to acquire a player from another club, negotiations are conducted to determine the transfer fee, payment terms, and other contractual conditions. Similarly, negotiation plays a key role in resolving disputes over contract renewals or salary adjustments. Players and clubs often negotiate terms that balance the interests of both parties, ensuring a fair and mutually beneficial agreement.[4]

Negotiation is also a critical tool for resolving disputes involving agents. When conflicts arise over representation fees or the terms of player contracts, agents and their clients often engage in negotiation to settle the matter. The process allows both parties to articulate their expectations and find solutions that align with industry standards and legal requirements. In governance disputes, negotiation is used to address conflicts within federations or between federations and external stakeholders. For instance, when FECAFOOT and MINSEP disagree on the allocation of government funding for football activities, negotiation provides a platform for dialogue and compromise. [5]This approach not only resolves disputes but also fosters collaboration and alignment between stakeholders.

Negotiation's value in football lies in its simplicity and adaptability. By allowing parties to engage directly with one another, negotiation promotes open communication and the exploration of creative solutions.[6] This makes it an indispensable tool for resolving disputes in a dynamic and fast-paced industry like football.

2.4 Conciliation

Conciliation is a structured ADR mechanism that combines elements of negotiation and mediation. In conciliation, a neutral third party, the conciliator, actively assists the disputing parties in reaching an agreement. Unlike mediators, conciliators often provide recommendations or propose solutions to resolve the dispute. While conciliation is non-binding, the conciliator's input is highly influential in shaping the outcome.

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[1] International Council of Mediation, Guidelines on Mediation in Sports (2019).

[2] Blackshaw, I. (2003). The Court of Arbitration for Sport: An international forum for settling disputes effectively within the family of sport. *Entertainment Law, 2*(2), 61–83.

[3] CAS Mediation Rules.

[4] Cameroon Football Federation: Regulation of the 2008/2009 MTN Elite One Season.

[5] Rules and Regulation 2008/2009 of MTN One Elite Season of FECAFOOT.

[6] Procedural rules (CAS) R.28.

In football, conciliation is commonly used to address disputes that require specialized knowledge or expertise. For example, conflicts over the interpretation of FIFA regulations or the allocation of solidarity payments for player transfers may be referred to conciliation. The conciliators role is to clarify the relevant rules and guide the parties toward a fair resolution. One significant application of conciliation in football is in disputes involving disciplinary actions. When players or officials are sanctioned for misconduct, conciliation provides an opportunity for them to appeal the decision and negotiate alternative outcomes. This process ensures that disciplinary measures are proportionate and consistent with established guidelines.

Conciliation is also used to address disputes over sponsorship agreements. When conflicts arise between clubs and sponsors over contract terms, a conciliator helps both parties identify mutually acceptable solutions that preserve their partnership. This is particularly important in football, where sponsorships are a critical source of revenue for clubs. The effectiveness of conciliation in football disputes is enhanced by its structured yet flexible approach. By combining expert guidance with collaborative problem-solving, conciliation ensures that disputes are resolved efficiently and amicably, minimizing disruption to the sport.

2.5 Ombudsman Services

Ombudsman services provide an independent and impartial avenue for resolving complaints in football. An ombudsman is a neutral official who investigates complaints and facilitates resolution through recommendations or mediated agreements. Ombudsmen are commonly appointed by national federations, leagues, or associations to address issues such as unfair treatment, governance conflicts, and ethical violations.[1]

In Cameroon, ombudsman services are increasingly being recognized as a valuable tool for resolving football disputes. For example, an ombudsman may be tasked with investigating allegations of corruption within FECAFOOT or addressing complaints from players about unfair treatment by clubs. The ombudsman's role is to ensure accountability and fairness while maintaining confidentiality and impartiality. One notable application of ombudsman services is in addressing fan-related disputes. When fans raise concerns about ticket pricing, stadium facilities, or governance issues, the ombudsman acts as an intermediary between the fans and the relevant authorities. This helps maintain transparency and trust within the football community.

Ombudsman services are also used to address administrative disputes within federations or clubs. For instance, when conflicts arise over the allocation of resources or the interpretation of internal policies, an ombudsman can provide recommendations that ensure compliance with established rules and principles. [2] The role of ombudsman services in football extends beyond dispute resolution to include advocacy and education. By promoting awareness of rights and responsibilities, ombudsmen contribute to a culture of fairness and accountability in football.

2.6 Dispute Review Boards (DRBs)

Dispute Review Boards (DRBs) are specialized panels established to monitor and resolve disputes that arise during ongoing projects or agreements. While DRBs are commonly used in construction and large-scale infrastructure projects, their application in football has become increasingly relevant, especially in areas involving contracts and development. The DRBs consist of impartial experts who periodically review the status of agreements and address conflicts before they escalate.

In football, DRBs are often used in disputes related to stadium construction, sponsorship agreements, and organizational issues in leagues. For instance, if a football club hires a contractor to renovate a stadium but disagreements arise over delays or payment terms, the DRB acts as a proactive intermediary, ensuring that the project stays on track. The board reviews evidence provided by both parties and offers recommendations to resolve the issue without disrupting the work schedule.

DRBs are particularly valuable in football because they provide a preventive approach to dispute resolution. Unlike arbitration or litigation, which typically address disputes after they escalate, DRBs work to mitigate risks and resolve conflicts as they emerge. This proactive mechanism is essential for ensuring that football projects are completed on time and within budget, which is critical in maintaining the sport's commercial viability.

The effectiveness of DRBs depends on their impartiality and expertise. Members of the board are often selected based on their knowledge of football regulations, contract law, and technical expertise relevant to the dispute. This ensures that their decisions are informed and pragmatic, fostering trust among stakeholders.[3]

2.7 Hybrid Mechanisms (Med-Arb)

[1] Foster, K. (n.d.). The jurisdiction of sport. In S. Greenfield (Ed.), *Readings in law and popular culture* (p. 164).

[2] Section 12 Statutes of the court of arbitration (CAS) Lausanne Switzerland.

[3] Statutes FIFA.

Med-Arb is a hybrid ADR mechanism that combines mediation and arbitration into a single process. The disputing parties first attempt to resolve their conflict through mediation, where a mediator facilitates negotiations. If mediation fails to produce an agreement, the dispute proceeds to arbitration, where an arbitrator issues a binding decision.

The dual structure of Med-Arb makes it particularly effective for resolving football disputes involving financial disagreements or contractual breaches. For instance, a dispute between a player and a club over unpaid bonuses may begin with mediation, allowing the parties to explore potential compromises. If no agreement is reached, the case transitions to arbitration, ensuring that the dispute is ultimately resolved.

In football, Med-Arb is often facilitated by organizations such as FIFA or FECAFOOT, which establish procedural rules for the process.[1] The mediator and arbitrator are typically appointed by mutual agreement of the parties, ensuring fairness and transparency. This structured approach helps maintain the integrity of the process while addressing the unique needs of the disputing parties. Med-Arb's appeal lies in its ability to combine the benefits of mediation and arbitration. The mediation phase allows parties to explore collaborative solutions, fostering understanding and preserving relationships. If mediation fails, the arbitration phase ensures a definitive resolution, avoiding prolonged disputes.

The application of Med-Arb in football has proven effective in addressing disputes that require both flexibility and finality. By integrating mediation and arbitration, Med-Arb offers a comprehensive approach to conflict resolution, balancing collaboration with enforceability.

2.8 Community-Based Dispute Resolution

Community-based dispute resolution is an informal ADR mechanism that involves local stakeholders in resolving conflicts. This approach is particularly relevant in grassroots football, where disputes often arise over access to resources, league management, or player registrations. Community leaders, coaches, and representatives from football associations often act as mediators, facilitating dialogue and negotiation among the disputing parties.[2] In Cameroon, community-based resolution mechanisms play a vital role in promoting fairness and inclusivity in football. For example, disputes between local clubs over player eligibility may be resolved through community meetings, where both sides present their concerns and work toward an agreement. This process is guided by the principles of transparency, collaboration, and respect for local norms.

Community-based dispute resolution is highly effective in grassroots football due to its accessibility and familiarity. By involving local stakeholders, the process fosters trust and accountability, ensuring that disputes are resolved in a way that aligns with the interests of the community. Additionally, this approach helps build stronger relationships among clubs, players, and associations, contributing to the overall development of football at the grassroots level. While community-based resolution mechanisms are informal, they often complement formal ADR processes. For instance, disputes that cannot be resolved at the community level may be escalated to FECAFOOT or regional arbitration bodies for further action. This integration ensures that conflicts are addressed at the appropriate level, minimizing disruptions to the sport.

3. Conclusion

The study underscores the importance of effective dispute resolution as a cornerstone of justice and fairness. Alternative mechanisms such as mediation and arbitration provide flexibility beyond traditional litigation, fostering dialogue and mutual understanding among parties. Within the context of football disputes, these methods ensure timely, impartial, and practical outcomes that safeguard the integrity of the sport. By reducing costs and preserving relationships, ADR strengthens governance and promotes sustainable management practices. It also enhances trust among stakeholders, ensuring that conflicts do not undermine the spirit of competition.

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