International Journal of Law and Politics Studies
ISSN: 2709-0914
DOI: 10.32996/ijlps
Journal Homepage: www.al-kindipublisher.com/index.php/ijlps

IJLPS
AL-KINDI CENTER FOR RESEARCH AND DEVELOPMENT

| RESEARCH ARTICLE

From Consent to Coercion: The Quiet Rise of International Legislative Mandates

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| ABSTRACT
This article critiques the growing influence of international organizations and economic unions in shaping domestic legislation through supranational mandates. It explores how instruments like the IMF's conditionalities, the OECD's global tax framework, and the EU's extraterritorial regulations compromise state sovereignty. Case studies from Kenya, Qatar, and the UAE illustrate how international obligations often reflect asymmetric power structures, leading to compliance under duress rather than genuine cooperation. The article argues for a restoration of subsidiarity and contextual equity to prevent the erosion of national legislative autonomy.

| KEYWORDS
Supranational governance, legislative sovereignty, IMF conditionality, OECD global tax, EU regulation, regulatory overreach, ESG compliance, extraterritoriality, international law, fiscal sovereignty, compliance trap, global governance, economic unions, state autonomy, subsidiarity.

| ARTICLE INFORMATION
ACCEPTED: 15 April 2025 **PUBLISHED:** 22 May 2025 **DOI:** 10.32996/ijlps.2025.7.3.3

1. Introduction
In an era of hyper-globalization, the classical tripartite separation of powers—legislative, executive, and judicial—has become increasingly porous. While sovereign nations retain formal authority over domestic affairs, the rise of international organizations and economic unions has resulted in a gradual shift of regulatory power beyond national borders. As states commit to treaties, frameworks, and memberships in global institutions, they inadvertently concede parts of their legislative autonomy.

Nowhere is this more visible than in the context of climate change governance and international taxation policy. Instruments such as the Paris Agreement and the OECD's global minimum tax deal have introduced far-reaching obligations that—though crafted multilaterally—are often implemented unilaterally and enforced asymmetrically.[1] The legitimacy of such transnational obligations depends on transparency, inclusivity, and proportionality—three values that are increasingly sidelined in favor of economic efficiency and geostrategic advantage.

2. International Organizations: Instruments of Supranational Influence
2.1. The Manufactured Crisis Paradigm
The founding principle of international organizations such as the United Nations, World Bank, and International Monetary Fund (IMF) was multilateralism and shared prosperity.[2] However, as early as the 1970s, developing nations began accusing these institutions of embedding Western economic orthodoxy into global legal and financial systems.[3] IMF conditionality, in particular, has been criticized for weakening national sovereignty under the guise of reform.

In Kenya, for instance, IMF-backed austerity measures triggered mass protests in 2024 after the government attempted to pass a Finance Bill to raise taxes and cut fuel and food subsidies.[4] The legislation, linked to a 2021 IMF loan agreement, sparked public outrage and was viewed as an externally imposed economic burden.[5] Civil society groups condemned the IMF's role, accusing it of "engineering hardship in the name of macroeconomic stability."[6]

The pattern is not new: from Greece's debt crisis in 2010 to Argentina's 2018 bailout, IMF interventions have often prioritized debt repayments over social protections.[7] This undermines the claim that such organizations act in the global public interest; rather, they often serve the priorities of dominant shareholders—most notably the United States, which retains veto power over IMF board decisions.[8]

2.2 A Cabal of Influence: The Legislative Cartel of Global Governance

The structural imbalance within these institutions is enshrined in their governance. The IMF, World Bank, and World Trade Organization (WTO) operate under a weighted voting or consensus system that privileges the economic powers that fund them.[9] In the UN Security Council, five permanent members (P5)—China, France, Russia, the United Kingdom, and the United States—can unilaterally block global action through vetoes.[10]

This imbalance affects legislative and regulatory outcomes across sectors. Multilateral forums like the G7, G20, and OECD increasingly serve as parallel platforms for norm-setting. For example, the International Partnership for Energy Efficiency Cooperation (IPEEC) was created in 2008 by the G8, bringing in China, India, and the EU without democratic accountability or direct state representation.[11]

Environmental governance is one key area where developing countries are disadvantaged. Despite accounting for less per capita emissions, nations like India and China are pressured to meet uniform climate targets under Environmental, Social, and Governance (ESG) metrics.[12] These standards often ignore local contexts such as energy poverty, infrastructure gaps, or economic development priorities.[13] The result is regulatory overreach without meaningful differentiation, creating a legal and moral paradox.

3. Economic Unions: Covert Legislators of Financial and Commercial Policy

3.1 The Compliance Conundrum: National Interests vs. Supranational Edicts

Economic unions such as the European Union (EU) have increasingly blurred the line between integration and imposition. The Corporate Sustainability Due Diligence Directive (CS3D)—adopted in July 2024—imposes environmental and human rights due diligence requirements on companies generating more than €450 million in EU revenue or employing 1,000+ workers.[14]

This directive obliges companies to monitor and mitigate risks across their entire global supply chain, including tier 3 emissions (e.g., jet fuel sold to international airlines). Non-compliance may result in fines of up to 5% of global turnover.[15] For energy-rich countries such as Qatar, which supplies gas to the EU, this raises concerns of jurisdictional overreach and implicit political pressure. Qatar's Energy Minister, Saad Al-Kaabi, remarked in 2024: *"Are you saying you don't want to buy from us?"*—a thinly veiled criticism of Europe's legal extraterritoriality.[16]

This pattern is consistent with the EU's General Data Protection Regulation (GDPR), which similarly applies to non-EU firms handling EU citizens' data.[17] These regulations essentially export European legal norms globally, with minimal negotiation or reciprocity, placing the burden of compliance on third-party states and corporations.

3.2 Financial Penalties as Political Tools

Rather than restrict monopolistic behavior structurally, supranational bodies like the EU opt for punitive enforcement through fines and sanctions. The so-called "Magnificent Seven" tech giants—Apple, Microsoft, Alphabet (Google), Amazon, Nvidia, Meta, and Tesla—are frequent targets. In total, these firms account for over $34 trillion in market capitalization.[18] Despite repeated fines, they continue to exploit regulatory arbitrage and scale.

In January 2025, Google challenged a €4.3 billion antitrust fine before the EU Court of Justice, originally imposed for Android-related abuses. The company argued that the fine punished innovation rather than fostering competition.[19] While enforcement is necessary, the repetitive fining model raises questions: Where does the money go? Who determines its allocation? Is it genuinely reinvested in public goods?

Transparency in fine collection and disbursement remains elusive. Moreover, the use of extraterritorial penalties without parliamentary oversight in the targeted jurisdictions raises concerns over regulatory colonialism—where lawmaking is outsourced to institutions unaccountable to domestic populations.

4. Fiscal Compliance as a Sovereignty Trap

The OECD's global minimum corporate tax agreement, adopted in 2021 and backed by the G20, introduced a 15% minimum tax for large multinational corporations.[20] The goal was to prevent profit shifting and tax base erosion. Yet critics argue it disproportionately affects developing economies, which use low-tax regimes as a tool to attract investment.[21]

The UAE, for example, has historically leveraged its zero or low-tax status to draw in global firms. However, it is now required to implement the minimum tax as part of its OECD commitments beginning January 1, 2025.[22] While this may align the UAE with international standards, it also risks weakening its competitive edge and altering its domestic revenue strategy.

The underlying question is structural: Who controls how the collected revenues are spent? There is limited clarity on whether the funds from such taxes benefit the countries where economic activity occurs or flow into the budgets of dominant economies. Without transparent fiscal redistribution mechanisms, these frameworks merely shift regulatory power upward—from sovereign states to supranational actors.

5. Conclusion

The creeping legislative authority of international organizations and economic unions poses a subtle but significant threat to national sovereignty. What began as cooperation has, in many cases, evolved into compliance through coercion. Binding treaties, extraterritorial laws, and punitive fiscal regimes undermine domestic legislative authority and create a system in which a minority of nations shape rules for the majority.

A recalibration is needed—one that restores subsidiarity, respects contextual equity, and demands accountability from those who legislate beyond borders. If international organizations are to remain legitimate, they must return to their original mandate: global cooperation, not regulatory domination.

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