

LEGAL APPRAISAL OF THE IMPACT OF MEMBERSHIP OF INTERNATIONAL INSTITUTIONS ON STATE SOVEREIGNTY

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Abstract

The increasing influence of international institutions on the sovereignty of states in the Global South has become a critical area of focus in international law and political science. Thus, the aim of this paper was to critically examine the impact of membership of international institutions on state sovereignty, focusing on Nigeria, Ghana and Brazil. It argued that international institutions shape national decision-making, economic policies and legal frameworks in these states. It also maintained that while these institutions aim to promote stability, reforms and accountability, their interventions often constrain national autonomy. The paper therefore assessed the balance between international/regional cooperation and sovereignty, and identified strategies that states can adopt to safeguard autonomy while engaging globally. The doctrinal research methodology was used, relying on primary and secondary legal sources. Comparative analysis revealed that these institutions, while offering financial assistance and legal oversight, impose economic restrictions through structural adjustment programmes, influence judicial systems and demand policy alignments that conflict with national interests. Nigeria and Ghana experienced fiscal constraints under IMF and World Bank policies while Brazil faced similar limitations within MERCOSUR. International legal institutions have also undermined judicial independence. The paper therefore recommended inter alia economic diversification, legal reforms, diplomatic negotiation and regional policy realignment to preserve sovereignty amid global interdependence.

Keywords: State Sovereignty, International Institutions, Global South, Structural Adjustment Programmes, Legal Autonomy

1.0 Introduction

Membership of international institutions, under international law, has profound impacts on state sovereignty, particularly for countries in the Global South.¹ Although the UN Charter affirms the principles of territorial integrity and non-interference,² international institutions such as the International Monetary Fund (IMF), World Bank,³ World Trade Organisation (WTO)⁴ and United Nations (UN)⁵ often impose obligations that reshape national policies, laws and economies. Unlike Western states that typically engage with these institutions from a

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¹ S. Strange, *The Retreat of the State: The Diffusion of Power in the World Economy* (Cambridge University Press, Cambridge, 1996) 12–14.

² Charter of the United Nations, 26 June 1945, Can TS 1945 No 7, art 2(1).

³ Articles of Agreement of the International Bank for Reconstruction and Development, 27 December 1945, 2 UNTS 134, art I.

⁴ Marrakesh Agreement Establishing the World Trade Organization, 15 April 1994, 1867 UNTS 154, entered into force 1 January 1995, art. 1.

⁵ UN Charter 1945 (n 2).

position of relative strength, Global South countries such as Nigeria, Ghana and Brazil confront power dynamics that can constrain their autonomy.⁶ Structural adjustment programmes, loan conditions and trade liberalisation often require states to adopt externally imposed reforms that conflict with domestic priorities. Legal sovereignty is further challenged by judicial reforms and treaty obligations that alter domestic legal orders. Despite these pressures, Nigeria, Ghana and Brazil have undertaken several measures to reduce the impact that these institutions have on them. It is against this backdrop that this paper discusses how international institutions impact sovereignty in these states, addressing a significant gap in existing literature by offering a legal and comparative analysis of how sovereignty is negotiated in the Global South under conditions of global legal and economic integration.

2.0 Definition and Purpose of International Institutions:

International institution has been defined as ‘creations of states for the attainment of common goals in various areas including maintenance of world peace, achieving socio-political and economic development etc.’⁷ They are organizations established by treaties or agreements between sovereign states to address common concerns and regulate specific areas of international relations.⁸ These institutions, such as the United Nations (UN), World Trade Organization (WTO), World Bank, and the International Monetary Fund (IMF), play a crucial role in global governance by setting norms, facilitating cooperation, and enforcing compliance with international standards.⁹ Their influence extends to various domains, including trade, human rights, environmental protection, and security.

International institutions play a central role in shaping the global legal and political landscape. These institutions are designed to foster cooperation, resolve disputes, and regulate issues that transcend national borders, such as human rights, trade, security, and environmental protection. Institutions like the United Nations (UN), World Trade Organization (WTO), and International Criminal Court (ICC) have gained prominence as vehicles through which states interact, negotiate, and adhere to international norms and agreements.¹⁰

These institutions are rooted in the idea of global governance, where supranational organizations create rules and mechanisms that guide state behavior in a variety of areas. These institutions do not merely provide platforms for state-to-state negotiations; they often create binding legal frameworks that states must observe. As such, their activities and authority have significant implications for state sovereignty and domestic legal systems. Stephen Krasner defines international institutions broadly as “persistent and connected sets of rules, formal and

⁶ R.P. Buckley, ‘Re-envisioning Economic Sovereignty: Developing Countries and the International Monetary Fund’ [2007] (24) *UNSW Faculty of Law Research Series*, Berkeley Electronic Press. 3.

⁷ C. C. Wigwe, *International Monetary Law: effect of trade liberalization in west african countries and their currencies with World Bank and IMF Articles of Agreement and ECOWAS Treaty* (Mo1Intcrest University Press, Ghana 2018). 22.

⁸ I. Brownlie, *Principles of Public International Law* (7th edn, Oxford University Press, Oxford 2008) 14.

⁹ J. H. Jackson, *The World Trade Organization: Constitution and Jurisprudence* (Royal Institute of International Affairs, London 1998). 50-55.

¹⁰ Brownlie (n 8), 287.

informal, that prescribe behavioral roles, constrain activities, and shape expectations”.¹¹ They include organizations, regimes, and norms that structure state behavior, helping reduce uncertainty and resolve conflicts in an anarchic international system.

3.0 The Meaning and Nature of Sovereignty

Sovereignty is one of the foundational principles of international law, denoting the supreme authority of a state over its territory and population, free from external interference. The concept has evolved over centuries, shaped by political theory, legal doctrine, and the realities of globalization. This evolution has led to tensions between traditional notions of sovereignty and the obligations arising from membership in international institutions. The concept of sovereignty originated in the early modern era, primarily through the works of political theorists such as Jean Bodin and Thomas Hobbes. Bodin, in his seminal work *Six Books of the Republic*, defined sovereignty as the ‘absolute and perpetual power of a commonwealth,’ emphasizing its indivisibility and supremacy within a state’s jurisdiction.¹² Hobbes further developed the concept in *Leviathan*, portraying sovereignty as essential for maintaining order and preventing anarchy within a social contract framework.¹³

Sovereignty became codified as a legal principle with the Treaty of Westphalia 1648, which ended the Thirty Years’ War and established the territorial integrity of states as a cornerstone of international relations.¹⁴ This Westphalian sovereignty, rooted in the principles of non-interference and territorial authority, shaped the modern international system.¹⁵ The 20th century marked a significant shift in the understanding and exercise of sovereignty due to the rise of international institutions. Institutions such as the League of Nations 1919 and later the United Nations 1945 introduced frameworks for cooperation among states, requiring member states to adhere to collective decisions.¹⁶

Membership in international institutions often necessitates the voluntary limitation of certain aspects of sovereignty. For example, Article 2(7) of the UN Charter 1945 affirms the principle of non-interference in domestic affairs but simultaneously allows the Security Council to take measures affecting state sovereignty in cases of international peace and security.¹⁷ Similarly, membership in the World Trade Organization (WTO) imposes trade obligations that limit states’ economic policy autonomy.¹⁸

¹¹ S. D. Krasner, *Sovereignty: Organized Hypocrisy* (Princeton University Press, New Jersey 1999). 9.

¹² J. Bodin, *Six Books of the Republic* (M. J. Tooley tr, Blackwell 1955) 25.

¹³ T. Hobbes, *Leviathan* (Richard Tuck ed, Cambridge University Press 1991) 120.

¹⁴ L. Gross, ‘The Peace of Westphalia, 1648–1948’ [1948] (42) (20) *American Journal of International Law*, 28. < <https://www.jstor.org/stable/2193560> > accessed 2nd December, 2024.

¹⁵ S. Krasner, *Sovereignty: Organized Hypocrisy* (Princeton University Press, Princeton 1999) 11.

¹⁶ A. Cassese, *International Law* (2nd edn, Oxford University Press 2005) 327.

¹⁷ United Nations Charter, art 2(7).

¹⁸ P. van den Bossche, *The Law and Policy of the World Trade Organization* (Cambridge University Press, Cambridge 2008) 73.

The doctrine of sovereignty encompasses two primary dimensions: internal sovereignty and external sovereignty. Internal Sovereignty refers to the supreme authority within a state's territory. It denotes the power of a governing body to enact and enforce laws, maintain order, and regulate affairs without external interference. This concept emphasizes the relationship between the state and its citizens, ensuring that the government holds ultimate control over internal matters. External Sovereignty pertains to a state's independence and autonomy in the international arena. It asserts that no external entity possesses higher authority over the state, allowing it to engage in foreign relations, enter treaties, and determine its own destiny without undue external influence. This aspect highlights the state's equal standing among the global community and its right to self-determination. In essence, while internal sovereignty focuses on the state's authority over its internal affairs and populace, external sovereignty emphasizes its freedom from external control, enabling it to operate as an independent entity on the world stage.¹⁹

4.0 Types of Sovereignty Affected by International Institutions;

- a. **Legal Sovereignty:** This refers to a state's authority to legislate within its borders without external influence. Membership in institutions like the WTO and African Union (AU) often requires states to harmonize their laws with international norms, thereby limiting legal sovereignty.²⁰
- b. **Political Sovereignty:** Political sovereignty, the capacity to govern without external interference, is often constrained by international institutions. For instance, United Nations sanctions can directly impact a state's ability to exercise independent foreign policy.²¹
- c. **Economic Sovereignty:** Economic sovereignty concerns a state's control over its resources and trade policies. Membership in trade blocs like MERCOSUR or ECOWAS often requires states to conform to regional economic regulations, impacting their independent policy decisions.²²

Historically, sovereignty has been associated with four main characteristics: First, a sovereign state is one that enjoys supreme political authority and a monopoly over the legitimate use of force within its territory. Second, it is capable of regulating movements across its borders. Third, it can make its foreign policy choices freely. Finally, it is recognized by other governments as an independent entity entitled to freedom from external intervention. These components of sovereignty were never absolute, but together they offered a predictable foundation for world order.²³

¹⁹ F.H. Hinsley, *Sovereignty* (2nd edn. Cambridge University Press, Cambridge 1986). 158.

²⁰ G.M. Wachiru, 'Sovereignty and the 'United States of Africa': Insights from the EU' (2007) *Institute for Security Studies*.
1. < <https://www.files.ethz.ch/isn/98932/PAPER144H.pdf> > accessed 2nd December, 2024.

²¹ I. Brownlie, *Principles of Public International Law* (7th edn, Oxford University Press 2008) 128.

²² T. Dinka and W. Kennes, *Africa's Regional Integration Arrangements: History and Challenges*, Discussion Paper 74 (European Centre for Development Policy Management, Maastricht 2007). 18-19.

²³ Byliner: R. Haass on the 'Changing Nature of Sovereignty, IWS The Information Warfare site 15th January 2013' < <https://usinfo.org/wf-archive/2003/030115/epf310.htm> > accessed 2nd December, 2024, Art. 2(1) UN Charter, 1945.

Traditionally, international organizations, upon their establishment through a constituent treaty, create regulations that are referred back to member states for ratification. This process reflects the legal supremacy of member states. However, the dynamics are shifting not necessarily due to increased power of the states, but because international organizations are increasingly asserting authority in policymaking, governance, and human development programmes that demand a more expedited approach to implementation.²⁴

The concept of sovereignty is no longer viewed as absolute. Modern interpretations emphasize sovereignty as a flexible and relational principle that adapts to global interdependence. For instance, the doctrine of Responsibility to Protect (R2P) reinterprets sovereignty as a responsibility rather than a right, obligating states to protect their populations and allowing international intervention in cases of mass atrocities.²⁵

5.0 The Erosion of State Sovereignty by International Institutions

Membership in international institutions requires states to enter into binding agreements that limit their autonomy. Signing the treaties and accepting to be bound by the decisions of the international institutions such as the World Bank and the IMF, states have unilaterally limited their sovereignty. However, the limitation of state sovereignty does not cover the international organizations if the acts are ultra vires.²⁶ These agreements often include mechanisms for dispute resolution and enforcement, thereby subjecting states to external scrutiny and control.²⁷ For instance, the World Trade Organization (WTO) imposes trade rules that override domestic policies, challenging the traditional notion of economic sovereignty.²⁸

Most International Institutions engage in elastic interpretation of the Articles of Agreement thereby breaching the principles of non-intervention in the domestic affairs of member States while carrying out their functions, for example Article 1(v) of the International Monetary Fund Articles of Agreement provides, inter alia, that funds of the institution shall be made available to members under "Adequate Safeguards".²⁹ The IMF has interpreted this provision broadly to encompass judicial reform, political reform, privatization, social reform, and other conditionalities that often undermine the social welfare systems of member states. Additionally, the IMF compels member states to implement structural adjustment policies, which further weaken the financial stability of developing nations. Notably, such extensive

²⁴ C.C. Wigwe, *Role of International Organizations and their exercise of sovereign power* (G-Prints Publishers, Port Harcourt 2017). 1.

²⁵ G. Evans, *The Responsibility to Protect: Ending Mass Atrocity Crimes Once and for All* (Brookings Institution Press, Washington D.C. 2008) 2-8.

²⁶ C.C. Wigwe, *International Law and Practice: The World Bank, IMF and State Sovereignty* (Mountcrest University Press, Osu-Accra 2011) 140.

²⁷ E.B. Herbert, 'The Role of World Trade Organisation in International Trade and Investment' [2020] (11) (1) *Nnamdi Azikiwe University Journal of International Law and Jurisprudence*. 50-51. <

<https://www.ajol.info/index.php/naujilj/article/view/195180> > last accessed 5th December, 2024.

²⁸ *Ibid.*

²⁹ International Monetary Fund, Articles of Agreement. Art. I(v).

conditionalities were not originally envisioned under the Articles of Agreement as prerequisites for accessing funds or loans.³⁰

Article 4, Section 10 of the World Bank Articles of Agreement (1944) stipulates that political considerations shall not influence the granting of loans to member states.³¹ However, the World Bank has occasionally violated this provision by requiring political reforms as a precondition for loans.³² Such conditionalities erodes the sovereignty of member states. Most international institutions are originally established with the primary objective of promoting economic integration rather than political or social integration. However, over time, many of these institutions have expanded their activities far beyond their original mandates, often exceeding the provisions outlined in their founding documents or Articles of Agreement.³³

For instance, the European Union (EU) was initially conceived as an economic bloc, focusing solely on fostering economic cooperation and integration among its member states. Its primary aim was to create a common market and promote trade. However, the EU gradually evolved into a supranational entity with political and judicial dimensions. It established the European Parliament, appointed a European President, and created the European Court of Justice (ECJ), all of which were not originally envisioned in its founding agreements.³⁴

The ECJ, in particular, has been empowered to hear appeals from member states, with the authority to overturn decisions made by national courts. This shift in judicial authority significantly reduced the autonomy of member states, as they were now subject to the overarching rulings of the ECJ.³⁵ Furthermore, the EU began to adopt symbols of statehood, such as a flag, a national anthem, and even a common citizenship, which deepened its integration into areas traditionally reserved for sovereign states.³⁶ These developments were among the key reasons for the United Kingdom's decision to leave the EU in the historic "Brexit" referendum.³⁷ Many in the UK believed that membership in the EU was eroding their national sovereignty, as the bloc had transitioned from an economic union to an entity with significant political and legal influence over its members.³⁸

A similar pattern can be observed in the Economic Community of West African States (ECOWAS). Established on 28 May 1975, ECOWAS was initially created to promote economic integration and cooperation among West African countries. Its revised treaty,

³⁰ C.C. Wigwe, *International Institutions: Impact on State Sovereignty in Contemporary Society* (Inaugural Lecture Series No. 96, Rivers State University, 31 January 2024). 82.

³¹ International Bank for Reconstruction and Development (World Bank), Articles of Agreement (adopted 22 July 1944, entered into force 27 December 1945) art 4(10).

³² Wigwe (n 30).

³³ *Ibid.* 83.

³⁴ Wigwe (n 30).

³⁵ *Ibid.*

³⁶ *Ibid.*

³⁷ *Ibid.*

³⁸ *Ibid.*

adopted in 1993, reaffirmed its primary focus on economic matters, restricting its scope to facilitating trade, investment, and regional development.³⁹

However, in recent years, ECOWAS has increasingly involved itself in the political and internal affairs of member states. For example, it has taken a strong stance on unconstitutional changes of government and political instability, often threatening or even using force to uphold democratic norms.⁴⁰ The recent threat of military intervention in Niger following a coup is a case in point.⁴¹ Such actions reflect a significant departure from its original mandate of economic integration, raising concerns among member states about the erosion of their sovereignty. Even the establishment of ECOMOG (Economic Community of West African States Monitoring Group) to intervene in the civil wars in Liberia and Sierra Leone was also illegal, as these actions were not explicitly provided for in the institution's enabling instruments or Articles of Agreement.⁴²

6.0 The Impact of International Institutions on the Sovereignty of States in The Global South

Sovereignty has traditionally been understood as the supreme authority of a state to govern itself without interference from external actors. This principle is enshrined in international law and is often seen as a cornerstone of the modern state system. However, in the context of the Global South, sovereignty is increasingly contested. States in this region, while claiming sovereignty over their territories, face external pressures due to their involvement in global governance structures. The question, therefore, arises: to what extent can states in the Global South retain full control over their domestic affairs while engaging in international institutions?

Historically, sovereignty has been regarded as absolute, but scholars have argued that in an interconnected global system, state sovereignty is inherently compromised by participation in international organizations. International norms have led to a diminishing of traditional sovereignty in some respects.⁴³ This phenomenon is particularly evident in the Global South, where states often participate in international institutions not only due to their benefits but also due to pressures from the global economic and political system.

One of the most significant impacts of international institutions on state sovereignty is legal in nature. The obligation of states to abide by international laws, treaties, and conventions significantly constrains their sovereignty. This is especially evident in the context of international trade, human rights law, and peacekeeping mandates. For a country to join an international organization, it must sign treaties that grant the organization certain legal rights. These rights often limit the sovereignty of states, particularly states in the global south, in

³⁹ *Ibid.*

⁴⁰ *Ibid.*

⁴¹ C. Krippahl, 'ECOWAS Threatens "Use of Force" Against Niger Junta' [2023] *Deutsche Welle*. <<https://www.dw.com/en/ecowas-threatens-use-of-force-against-niger-junta/a-66398008>> accessed 12th December, 2024.

⁴² P.A. Jenkins, 'The Economic Community of West African States and the Regional use of Force' [2007] (35) (2) *Denver Journal of International Law & Policy*. 342-348.

⁴³ Bossche (n 18).

making decisions on matters that affect them within the international system. For instance, participation in free trade agreements typically requires countries to open their borders and relax migration policies, enabling the unrestricted movement of people, goods, and services.⁴⁴

The United Nations, the most prominent international institution, plays a central role in shaping the sovereignty of states in the Global South. The UN Charter, which affirms the sovereignty of all its member states, also imposes legal obligations on them. Article 2(7) of the UN Charter explicitly prohibits interference in the internal affairs of sovereign states, yet the Security Council can authorize intervention, especially when peace and security are at risk. For instance, Nigeria, as a member of the UN, has had to navigate the tension between maintaining sovereignty and participating in UN peacekeeping operations, as seen in its involvement in peace missions in Liberia and Sierra Leone.⁴⁵ While such involvement enhances international cooperation and stability, it also raises questions about the erosion of sovereignty when states are compelled to act in line with global mandates.

The UN Security Council, in its role as the primary decision-making body regarding international peace and security, has considerable political influence over the sovereignty of states. For instance, the imposition of economic sanctions or the authorization of military interventions by the Security Council can undermine the sovereignty of states, particularly those in the Global South.⁴⁶ Nigeria's political decisions regarding regional interventions have often been influenced by the Security Council's resolutions, particularly when the country is involved in peacekeeping missions in conflict zones such as the Democratic Republic of Congo.

Membership in the WTO represents a significant challenge to the economic sovereignty of states in the Global South. The WTO's rules on trade liberalization and dispute settlement mechanisms limit the autonomy of states to adopt protectionist policies and pursue certain economic agendas. For example, Brazil, as a member of the WTO, has had to adjust its domestic trade policies to comply with the global trade rules, which sometimes conflict with its national development objectives.⁴⁷ Although the WTO provides a platform for developing countries to engage in global trade, its regulations often force states to align their policies with international standards, reducing their ability to independently dictate their economic policies.

The Structural Adjustment Policies (SAPs) of the Bretton Woods institutions (World Bank and IMF) are also examples of the detrimental impacts of international institutions on the sovereignty of states in the global south. The policies outlined that indebted state governments reduce social spending, liberate the market to allow foreign investment, devalue national

⁴⁴ D.M. Oyedokun, 'An assessment of the impact of globalisation on the sovereignty of the new states in global affairs' [2021] (7) (2) *RUJMASS*. 11-22.

⁴⁵ United Nations, 'Service and Sacrifice: Honouring Nigeria's Contribution to UN Peacekeeping', [2018] < <https://news.un.org/en/story/2018/02/1002901> > accessed 15th December, 2024.

⁴⁶ United Nations, 'Peace and Security' *Security Council*. < https://main.un.org/securitycouncil/en?utm_source=chatgpt.com > accessed 16th December 2024.

⁴⁷ World Trade Organization, 'Trade Policy Review: Brazil 2022,' [2022] *Trade Policy Review, Secretariat*. < https://www.wto.org/english/tratop_e/tpr_e/s432_e.pdf > accessed 16th December 2024

currencies and spend more on the proliferation of arms. These policies ensure the state remains dependent on the developed nations in terms of importation and economic assistance.⁴⁸ In addition to imposing stringent conditions on their loans, grants, and aid, these institutions often dictate the terms of their direct participation in local economies through Foreign Direct Investment (FDI), frequently operating with minimal accountability to the host state's authority.⁴⁹ A typical example is the case of oil exploration and the environmental degradation in the Niger Delta region of Nigeria. This has not witnessed corresponding compensation from the defaulting firms and government has not shown capacity as a sovereign state to take decisive action against any of the multi-national oil firms. It lends credence to the fact that while wealth and power of the multinationals seems to have increased significantly, neither they nor national governments have so much control over macro-economic forces as they would like. Environmental and technological risks have multiplied.⁵⁰

International institutions, through globalization, have significant control over countries' economies, foreign policies, and societies. Developing nations find it hard to resist this trend because it's widespread. If a country tries to avoid this integration, it risks being left out of the global community, especially economically, and may face sanctions.⁵¹ As a result, national sovereignty is weakening as globalization advances. To avoid isolation, countries might choose to give up part of their sovereignty. Additionally, when a government cannot meet its people's basic needs, like security, due to incompetence or policy choices, it can lose its sovereignty.⁵²

7.0 Ghana's Experience

In the case of Ghana, according to Kojo Appiah-Kubi, Ghana has achieved a great measure of macroeconomic stabilization under its structural adjustment programs (SAPs) and here, privatization has clearly played a central role. Government annual receipts from divestiture were equivalent to an average of 8.5% of total government revenue between 1991 and 1998, and as high as 21.7% in 1994.⁵³ But these are among the few accomplishments that the Bretton Woods institutions can claim.

However, while these improvements are noteworthy, it is also important to note that not much of the economy of Ghana has improved. Kyambalesa and Houngnikpo argue that certain aspects of Structural Adjustment Programs (SAPs), including content of conditionalities attached to multilateral loans and the pace of the adjustment process, can sometimes hinder a country's ability to achieve its socio-economic goals and aspirations.⁵⁴ One of the

⁴⁸ Onyedokun (n44), 20.

⁴⁹ O.H. Banko, 'Interrogating the rivalry between state sovereignty and forces of globalization in international relations and politics among nations' [2021] (7) (1) *South East Journal of Political Science (SEJPS)*. 8.

⁵⁰ S. Cuterela, 'Globalization: Definition, Processes and Concepts' [2012] (60) (4) *Romanian Statistical Review Supplement*. < <https://ideas.repec.org/a/rsr/supplm/v60y2012i4p137-146.html> > accessed 20th December, 2024.

⁵¹ Onyedokun (n44).

⁵² M. Marsonet, 'National Sovereignty vs. Globalization' [2017] (15) *Academicus International Scientific Journal* 47-57.

⁵³ K. Appiah-Kubi, 'State-Owned Enterprises and Privatisation in Ghana' [2001] (39) (2) *The Journal of Modern African Studies*. 216.

⁵⁴ H. Kyambalesa and M. Houngnikpo, *Economic Integration and Development in Africa* (Ashgate, Hampshire, England 2006). 135.

recommendations of the economic reform programs in 1998 is for water to be privatized thus leasing the water systems to two private operators.⁵⁵ This privatization has caused untold hardships. According to Ian Yeboah "Water privatization in Ghana illustrates that decision-makers have sacrificed self reliance, cultural values and, to a limited extent, sovereignty to global capital in the effort to privatize"⁵⁶

The involvement of international financial institutions and multinational corporations in Ghana's water sector raises concerns about the country's economic and political sovereignty. Ghana's ability to set independent water policies was constrained by loan conditions imposed by the World Bank and IMF, limiting the government's control over water pricing and distribution. The privatization process placed key water resources in the hands of foreign firms, reducing the government's ability to make decisions based on national interests. This privatization illustrates how international financial institutions and foreign corporations can influence domestic policies, often at the expense of national sovereignty. While privatization aimed to improve efficiency, it also raised concerns about equity, affordability, and Ghana's ability to control its own resources.

Also, Ghana's Alternative Dispute Resolution Act, 2010⁵⁷ which serves as the primary legislation governing arbitration in the country, having replaced the Arbitration Act, 1961, is heavily influenced by the UNCITRAL Model Law on International Arbitration as amended in 2006,⁵⁸ reflecting Ghana's alignment with international arbitration standards. This reliance on international frameworks demonstrates the influence of international institutions on Ghana's legal sovereignty, as it shapes the country's dispute resolution mechanisms in accordance with internationally accepted norms. While this alignment enhances Ghana's attractiveness as an arbitration hub and facilitates foreign investment, it also reflects the extent to which international legal standards shape domestic legislation, potentially limiting the country's autonomy in defining its own dispute resolution processes.

8.0 Brazil's Experience

Since 1945, one of the most significant public international organizations for international economic relations has been the IMF. As a result, the IMF has become the focus of much debate since it has quite possibly undermined nation-states' national sovereignties.⁵⁹

A prime example of this possible infraction of a basic principle of international law is the IMF's past and present relations with the indebted developing countries, namely Brazil. During the

⁵⁵ R. Amenga-Etego, 'Water Privatisation and the Poor: The Case of Ghana' [2003] https://www.ircwash.org/sites/default/files/AmengaEtego_2003_Water.doc. > accessed 23rd December, 2024.

⁵⁶ I. Yeboah, 'Subalternative Policies and Development Practice: Urban Water Privatization in Ghana' [2006] (172) (1) *The Geographical Journal*. 54.

⁵⁷ Ghana's Alternative Dispute Resolution Act, 2010 (Act 798), s 1.

⁵⁸ United Nations Commission on International Trade Law (UNCITRAL), UNCITRAL Model Law on International Commercial Arbitration 1985: With Amendments as Adopted in 2006 (United Nations 2008). < https://uncitral.un.org/en/texts/arbitration/modellaw/commercial_arbitration > accessed 27th December 2024.

⁵⁹ A. Galano III, 'International Monetary Fund Response to the Brazilian Debt Crisis: Whether the Effects of Conditionality Have Undermined Brazil's National Sovereignty?' [1994] (6)(2) *Pace International Law Review* 323. 346.

third world debt crisis, with no new lending, Brazil had to turn to the IMF for capital lending. The International Monetary Fund's (IMF) interventions during Brazil's debt crisis in the 1980s had profound implications for the nation's sovereignty. The IMF's conditionality requirements imposed on borrowing countries to implement specific economic policies in exchange for financial assistance significantly influenced Brazil's domestic policy decisions.⁶⁰ According to Anthony Galano III's⁶¹ analysis, the IMF's conditionality during this period mandated Brazil to adopt austerity measures, liberalize its economy, and implement structural adjustments aimed at stabilizing its balance of payments. These policies included reducing public expenditures, and deregulating markets.⁶² While intended to restore economic stability, these measures effectively limited Brazil's autonomy in crafting policies tailored to its unique socio-economic context.⁶³ Many international economists, such as Manuel Pastor, Jr.,⁶⁴ have held the IMF strictly liable for Latin America's "lost decade of growth" that occurred in the 1980's.⁶⁵ This implies that the IMF has undermined the Latin American countries' ability and inherent right to maintain economic growth without having the IMF infringing upon their respective national sovereignties.⁶⁶

The IMF's response to Brazil's debt crisis illustrates the delicate balance between providing necessary financial assistance and respecting national sovereignty. While conditionality is designed to promote sound economic policies, its implementation can sometimes undermine the very autonomy it seeks to support, leading to broader debates about the role of international institutions in domestic governance.

9.0 Nigeria's Experience

Membership in transnational and supranational institutions such as the United Nations (UN), regional bodies like the European Union (EU) and the African Union (AU), has been shown to impact and, at times, diminish the sovereignty of nation-states.⁶⁷ The actions of international institutions can extend beyond their intended roles, exerting legislative, administrative, supervisory, and even jurisdictional influence over member states.⁶⁸

The ceding of the oil-rich Bakassi peninsula by Nigeria to Cameroon, both UN member states, following the International Court of Justice (ICJ) ruling on October 10, 2002, serves as a clear example of sovereignty being affected by international legal decisions. The Hague-based court settled the eight-year dispute in Cameroon's favor, requiring Nigeria to relinquish sovereignty

⁶⁰ *Ibid.*

⁶¹ *Ibid.*

⁶² *Ibid.*

⁶³ *Ibid.*

⁶⁴ M. Pastor Jr, 'Latin America, the Debt Crisis, and the International Monetary Fund' in Jeffry A. Frieden and David A. Lake (eds), *International Political Economy: Perspectives on Global Power and Wealth* (2nd edn, St Martin's Press 1991).

⁶⁵ *Ibid.* 320.

⁶⁶ Galano (n59).

⁶⁷ B.A. Otunko and others, 'The Challenge of State Sovereignty in a Globalized World: An Analysis' [2019] (10) (1) *Lapai Journal Of Humanities*. 177.

⁶⁸ *Ibid.*

over the territory. As a result, Nigeria lost control of approximately 35 communities to Cameroon.⁶⁹

International financial institutions such as the IMF, World Bank, and other global donors have provided Nigeria with loans tied to specific conditions, aiming to strengthen its productive capacity and diversify its economy.⁷⁰ While these financial interventions may seem beneficial at first glance, they often carry significant negative consequences for recipient countries. It can be argued that Nigeria engages in such agreements without fully grasping the complex economic implications involved.⁷¹

The implementation of IMF and World Bank reform policies has contributed to Nigeria's political instability and social unrest.⁷² Some of the adverse effects of these donor-driven policies include rising unemployment, brain drain, an unchecked influx of multinational corporations, and widespread human rights violations. Additionally, they have fueled youth and ethnic group uprisings, exacerbating insecurity across the country. Other consequences include the decline of local industries and increased dependence on imported goods, further weakening Nigeria's economic sovereignty.⁷³

Furthermore, in Africa, membership in the African Union (AU) can be seen as a means through which states have voluntarily ceded certain aspects of their sovereignty to pursue shared objectives.⁷⁴ Under the AU Constitutive Act, various organs with distinct competencies have been established, and their effective functioning relies on member states delegating some of their sovereign powers to these bodies. These institutions include the Assembly of the Union,⁷⁵ the Executive Council,⁷⁶ the Pan-African Parliament,⁷⁷ the Economic, Social, and Cultural Council,⁷⁸ the Court of Justice,⁷⁹ the Commission,⁸⁰ specialized technical committees,⁸¹ the Permanent Representatives Committee,⁸² and the financial institutions.⁸³

The primary purpose of these bodies is to advance the AU's common objectives as outlined in the Constitutive Act. These objectives include, among others, political, economic, and social

⁶⁹ D.M.E. Nwogbaga, 'Nigeria's Enforcement of the International Court of Justice Verdict over Bakassi Peninsula and the Electoral Consequences for the Displaced Persons' [2016] (2) (1) *South East Journal of Political Science*.

⁷⁰ M.E. Bassey and B.O. Akingbade, 'Effects of Globalization on Third World Development: The Nigerian Experience' [2024] (7) (2) *African Journal of Social Sciences and Humanities*. 12.

⁷¹ *Ibid.*

⁷² *Ibid.*

⁷³ Bassey and B.O. Akingbade (n70).

⁷⁴ The Constitutive Act of the African Union, art. 4(h)(p).

⁷⁵ *Ibid.* art. 6-9.

⁷⁶ *Ibid.* art. 10-13.

⁷⁷ *Ibid.* art. 17.

⁷⁸ *Ibid.* art. 22.

⁷⁹ *Ibid.* art. 18.

⁸⁰ *Ibid.* art. 20.

⁸¹ *Ibid.* art. 14-16.

⁸² *Ibid.* art. 21.

⁸³ *Ibid.* art. 19.

development; the promotion of peace, security, and stability across the continent; and the protection and promotion of human rights.⁸⁴

One of the objectives outlined in the AU Constitutive Act is the defense of “the sovereignty, territorial integrity, and independence of its member states”.⁸⁵ While this reflects the Organization of African Unity’s (OAU) former emphasis on preserving state sovereignty primarily through a policy of non-interference in the internal affairs of member states the Constitutive Act takes a more proactive stance. It explicitly grants the AU the right to intervene in cases of “grave circumstances, namely war crimes, genocide, and crimes against humanity”.⁸⁶ Additionally, the AU may intervene at the request of a member state “to restore peace and security”.⁸⁷ On the face of it, this may not appear to constitute a transfer of sovereign powers to the AU. However, by ratifying the Constitutive Act, member states have effectively ceded certain aspects of their sovereignty, as the Act grants the AU the authority to intervene in specific circumstances.

Despite this, the AU has generally refrained from intervening in the internal affairs of its member states, with only a few exceptions.⁸⁸ Nevertheless, its recent deployment of peacekeeping missions in Sudan and Somalia demonstrates its commitment to maintaining peace and security on the continent.⁸⁹ These instances not only highlight the AU’s departure from its predecessor’s policy of non-interference but also illustrate its exercise of powers delegated by member states.

International institutions, such as the African Union (AU), have influenced the sovereignty of its member states by necessitating the transfer of certain sovereign powers to achieve collective objectives. While the AU upholds the sovereignty, territorial integrity, and independence of its member states, it also has the authority to intervene in cases of war crimes, genocide, and crimes against humanity, as outlined in its Constitutive Act. Although interventions have been limited, the AU’s peacekeeping missions in Sudan and Somalia signal a shift from its predecessor’s strict non-interference policy. By ratifying the Constitutive Act, member states have effectively ceded some decision-making powers to the AU, demonstrating how international institutions can shape and, to some extent, limit state sovereignty in the Global South.

10.0 Conclusion

This paper has so far argued that international institutions exert significant influence over the sovereignty of Global South states, using Nigeria, Ghana and Brazil as case studies. Institutions

⁸⁴ *Ibid.* art. 3.

⁸⁵ *Ibid.*

⁸⁶ Constitutive Act (n74), art. 4(h).

⁸⁷ *Ibid.* art. 4(j).

⁸⁸ G.M Wachira and A. Ayinla, ‘Twenty years of elusive enforcement of the recommendations of the African Commission on Human and Peoples’ Rights: a possible remedy’ [2006] (6)(2), *African Human Rights Law Journal*. 485.

⁸⁹ Reuters, ‘Somalia, Sudan to dominate African Union Summit’, [2006] < <https://reliefweb.int/report/somalia/somalia-sudan-dominate-african-union-summit> > accessed 30th December, 2024.

such as the IMF, World Bank, WTO and UN shape domestic policy through economic conditionalities, legal interventions and governance mandates that often override national priorities. Structural Adjustment Programmes have imposed austerity, privatisation and currency devaluation, undermining economic autonomy and deepening dependency. Regional organisations like ECOWAS, the AU and MERCOSUR also constrain sovereignty through collective decision-making and interventionist mandates. Legal sovereignty is further eroded by compliance with international norms that displace national legal authority. However, as shown in this paper, these states have adopted strategies to reclaim authority, such as economic diversification, domestic legal alignment and regional and diplomatic cooperation. Sovereignty, rather than being absolute, emerges as a site of continuous negotiation shaped by institutional constraints and strategic responses. Complete autonomy may be unattainable, but Nigeria, Ghana and Brazil demonstrate that sovereignty can be preserved and even enhanced through selective engagement, legal reform and coalitional diplomacy. The submission is that international institutions both enable and limit sovereignty. What matters is how Global South states assert control within these constraints to safeguard their development goals and national interests.

11.0 Recommendations

In light of the foregoing discussions, the paper makes the following recommendations:

- a. Governments should carefully subject international agreements to rigorous cost-benefit analysis to ensure they align with national development goals and avoid harmful conditionalities. Strengthening domestic policy frameworks will preserve autonomy while enabling strategic engagement with international partners.
- b. Nigeria, Ghana, Brazil and other Global South states should prioritise domestic growth and economic self-sufficiency by diversifying revenue sources and reducing reliance on external finance. Building resilient industries and sovereign wealth funds will limit exposure to external shocks and foreign dependency.
- c. Legal sovereignty requires robust national courts as primary arbiters and alignment of international obligations with domestic legal norms. States must ensure transparency in legal engagements to prevent external overreach and maintain judicial independence.
- d. Regional organisations must be reformed to preserve member states' policy flexibility while sustaining cooperation. Revisions should include stronger regional dispute mechanisms and integration policies that promote local development over foreign dependence.
- e. To negotiate better terms in international institutions, Global South states must strengthen alliances to improve bargaining power within international institutions. Diplomatic and economic partnerships beyond Western-led frameworks will reduce dependency and enable more balanced global engagement.