



EUROPEAN
INTERNATIONAL
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COVER PAGE AND DECLARATION

	BBA topup program
Specialisation:	Bachelor of Business Administration
Affiliated Center:	
Module Code & Module Title:	IBM340
Student's Full Name:	Farid Awadh Mohsen Awadh
Student ID:	EIU2022211
Word Count:	
Date of Submission:	

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E-SIGNATURE: Farid Awadh Mohsen

DATE: _____

EIU Paris City Campus

Address: 59 Rue Lamarck, 75018 Paris, France | Tel: +33 144 857 317 | Mobile/WhatsApp: +33607591197 | Email: paris@eiu.ac

EIU Corporate Strategy & Operations Headquarter

Address: 12th Fl. Amarin Tower, 496-502 Ploenchit Rd., Bangkok 10330, Thailand | Tel: +66(2)256923 & +66(2)2569908 | Mobile/WhatsApp: +33607591197 | Email: info@eiu.ac

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Introduction:

At the world level comes the economic setting of the two forces: NAFTA and BRICS. NAFTA, established in 1994, is an agreement among the United States, Canada, and Mexico regarding trade in North America. Since July 1, 2020, the USMCA (United States-Mexico-Canada Agreement) has replaced NAFTA, revisiting digital trade, labor, and environmental issues. Considerably, BRICS is an association of five emerging economies, created in 2009, the members being Brazil, Russia, India, China, and South Africa. Because of globalization, technological evolution, and shifting paradigms of world politics, having an operating knowledge of these two groups is necessary.. These entities, NAFTA and BRICS, are salient milestones of international economic cooperation. This comparison would thus aid in understanding their motives, member nations, policies, effects, and broader implications on global trade and development. Each one carries unique attributes that set the tempo in the world economy.

Benefits:

NAFTA has significantly benefited its member countries, primarily by boosting trade and investment within North America. It has eliminated tariffs and eased trade restrictions, a surge in cross-border business, and opened up new markets and export opportunities. Additionally, NAFTA has helped become more efficient and save money by integrating their supply chains and specializing in their strengths, making North

American industries more competitive globally. Furthermore, NAFTA protects intellectual property rights and offers ways to resolve disputes, which gives investors confidence and encourages foreign investments. BRICS is a grouping of large emerging economies that do not regulate trade in a formal sense. However, the member countries work together in several economic areas, such as finance and development. Trade cooperation benefits: Diversify business relationships by expanding business partnerships, leading to less dependence on traditional partners and new markets for products and services. The BRICS partnership works further in infrastructure development for the member countries. This infrastructure development implies the construction of transport networks, energy infrastructure, and communication systems that would improve connectivity, enhance economic growth, and foster regional integration.

The BRICS countries cooperate by pooling resources and exchanging knowledge to face common challenges, and sports technologies engender eco-friendly growth. These finance initiatives, therefore, justify the formation of the New Development Bank (NDB) and Contingent Reserve Arrangement (CRA) to finance infrastructure projects and assist member countries in lessening financial hazards and external vulnerabilities. Working together increases their synergistic effect in global affairs. Hence, when the countries unite on an index on issues such as trade, climate, and international governance, the world is listening; consequently, they can steer the direction of world affairs along their priorities.

Downsides and Challenges:

NAFTA, while providing many advantages, has also faced difficulties. One major criticism is its impact on industries and labor markets, especially in the US. Critics claim NAFTA has led to manufacturing jobs moving to Mexico, resulting in job losses, reduced wages, and increased income gaps. Additionally, there are fears that Mexico, owing to weak enforcement mechanisms. NAFTA's investor-state dispute mechanism has been advising businesses at too great a cost to public interests and national sovereignty. Those who oppose it hold that ISDS empowers multinational corporations to a great extent to pressure governments, thereby obstructing lawmakers from protecting public interests. Additionally, differing regulations and labor standards in different NAFTA countries have created concerns about "regulatory arbitrage," where companies seek out the latest rules to gain an advantage, leading to a decline in protections for workers and the environment.

The issues within the BRICS come from economic priorities and routing facilities. Economic growth, thus, befitting and progress, remains a common aspiration for these countries; however, interests and geopolitical objectives have sufficiently diverged to inhibit cooperation or agreement on the working program of the grouping. Some BRICS countries are ill-equipped in infrastructure, energy, and communication facilities. This retards supported economic growth, hinders inter-trade, and discourages investment, more so in the underdeveloped areas within these countries. The political instability that plagues some of the BRICS

members, Brazil, Russia, and South Africa, concerning political and even alleged corrupt practices, shakes them in their governments and thus prevents the actualization of economic reforms.

Enforcement Mechanisms:

NAFTA has mechanisms to enforce its rules and address disputes between member states. These include interstate dispute settlement, where countries can talk to each other and use arbitration committees to solve problems, and can sue governments if they believe that the investment protection of the North American Free Trade Agreement has been violated, such as when property is taken without fair compensation or when they face unfair treatment.

Such panels set up decision-making on trade disputes. Cases with unfair trade practices or the imposition of restrictions and other barriers in trade by special committees composed of members from the countries engaged in trade disputes. These committees have an impartial mechanism for dispute settlement and enforcement of NAFTA regulations. However, these mechanisms lack openness, impartiality, and responsibility. This eventually led to and allowed greater public scrutiny of dispute resolution.

Unlike the North American Free Trade Agreement (NAFTA), the BRICS alliance does not have official mechanisms to enforce rules. Instead, BRICS focuses on collaborating in trade, money, building things, and making things last. Although BRICS members can make deals between two or more to solve problems, the group does not have a central body that rules like NAFTA. When enforcing agreements and decisions within BRICS, it is more common to use diplomatic talks and private meetings and follow commonly agreed-upon values and rules.

Main Items of Trade:

NAFTA covers products and services exchanged between its member nations. Key sectors include Vehicles and auto components, Crops and agricultural goods, Machinery and other equipment, electronic devices, Clothing and fabrics, and Energy sources. The automotive industry has become a major driver of North American trade, with interconnected supply lines extending across all three countries. NAFTA has also boosted trade in services such as banking, communications, consulting, and technology. By making trade services across borders, NAFTA has encouraged investment in service industries and their growth. Has fostered innovation and made the North American economy more competitive.

The BRICS countries have abundant oil, gas, and mineral resources. The trade-in raw materials is a sizeable part of their total, with Brazil, Russia, and South Africa feeding the resources into world markets. The BRICS members trade machinery, equipment, and manufacturing components to promote industrial development and infrastructure projects within the bloc. BRICS countries, particularly China and India, are

turning into considerable centers for electronics- they export devices, telecommunications equipment, and software services. BRICS countries trade in agricultural goods such as grains, fresh produce, and processed foods. The pharmaceutical industry of BRICS is growing, with India and Brazil contributing much to the sales and production of affordable generic drugs and healthcare supplies.

Accomplishments and Policy Needs:

NAFTA has indeed gained ground since its origin, including matters of trade promotion, economic development, and the evolution of rules concerning trade and investment. Several questions remain within NAFTA, questions and policies that the policymakers and the stakeholders must address. A crucial element of the NAFTA renegotiation was modifications to the agreement to fit modern-day issues such as digital trade, e-commerce, and the protection of intellectual property rights. Schott, J. J. (2017): "The United States-Mexico-Canada Agreement (USMCA) replaces NAFTA and has various implications that need to be understood". Consequently, the United States-Mexico-Canada Agreement (USMCA) has improvements to address the original NAFTA agreement's weaknesses. Labor conditions, environmental protection, and social well-being must all be guaranteed so that free trade under NAFTA can be a blessing for all. Enforcement has to be more transparent and accountable, and there must be inclusive growth. These policies shall serve for economic integration in North America, but with the protection of workers, businesses, and localities.

BRICS countries act today as engines of growth, trade proliferation, and investment diversion. Hence, members have had to build some infrastructure amongst the member countries. These innovations affect the economy. The BRICS nations have also created institutions like the NDB and CRA. They invest more money in infrastructure projects and help member countries deal with financial pitfalls and threats from other countries.

Although NAFTA is essentially about trade barriers or, to put it otherwise, trade liberalization and economic integration among its member states, BRICS cooperation encompasses additional policymaking areas, including trade, but not exclusively. Some of them are financial matters, energy, the development of infrastructure, and sustainability, reflecting the broader agenda of cooperation among the big emerging economies by BRICS.

Effects on Member Nations' Economies and Exchange Rates:

The North American Free Trade Agreement (NAFTA) has had a mixed impact on member countries' economies and exchange rates. In the US, it has provided businesses with access to additional export

markets, more investment potential, and cheaper foreign products for consumers. Job loss in some industries, primarily manufacturing, and increased income inequality in some regions of the country have also occurred. In Canada, the North American Free Trade Agreement (NAFTA) has created trade opportunities, fostered business competitiveness, and promoted exports, particularly in the automobile, aviation, and agriculture industries. There have been questions, however, as to how NAFTA would affect the Canadian system of regulating the manufacturing of goods like milk and poultry. The impact of NAFTA on Canada's legislation, films, music, and intellectual property has also raised questions. In Mexico, the North American Free Trade Agreement (NAFTA) has been at the heart of luring foreign investment, industrial expansion, and integration of Mexico into the global economic system. It has caused export-led growth in industries like automobiles, electronics, machinery, factories, and service providers. Despite these benefits, Mexico's income inequality, labor rights improvement, and the fight against poverty and informal employment. NAFTA has impacted the exchange rates, but to different extents. The Canadian dollar and Mexican peso have changed due to trade and economic factors. However, the dollar remains the primary currency for trade and finance in North America and has been relatively stable. These exchange rate changes affect how competitive exports are, can cause inflation, and require member countries to coordinate their monetary policies.

BRICS cooperation has boosted global economic growth through increased trade, investment, and infrastructure within member nations. BRICS is now a significant force in trade and investment patterns. BRICS countries have diversified their economies and promoted industrial growth in sectors like manufacturing, services, and technology. Infrastructure investments and policy reforms have allowed for industrialization and economic transformations. BRICS countries have weathered global crises economically, demonstrating their resilience and capacity to endure global challenges. BRICS countries have seen fluctuations in their currencies due to conditions, capital flows, and government policies that can affect trade competitiveness and price levels among the BRICS economies. Exchange rate movements within the BRICS affect trade flows between member states. Cheaper currencies can boost exports but raise import costs, while strong currencies have the opposite effect. Currency fluctuations affect investment decisions within BRICS countries, so they can make investments more or less attractive to foreign investors.

Conclusion:

Examining NAFTA and BRICS allows one to conclude that each entity is a pillar in global economic architecture, but situated in different frameworks and with different objectives. Now replaced by the

USMCA, it is a structured, institutionalized approach to regional economic integration that concerns itself with tariffs and regulatory harmonization for the North American members. The second is an emergent, flexible association of economies working together for development cooperation, infrastructure investment, and multipolarity in world governance without binding trade agreements.

NAFTA has demonstrated tangible success in enhancing trade flows, economic efficiency, and regional competitiveness. At the same time, the subsets of criticism have accused it of causing wage stagnation in sectors. Meanwhile, BRICS continues to gain influence by asserting their combined strength in the global forum, diversifying trade relations, and investing in long-term development projects through institutions such as the New Development Bank.

Albeit different, both blocs face internal challenges, ranging from differences in enforcement and regulation in the NAFTA setting to geopolitical and infrastructural inadequacies in the BRICS setting. The success of both alliances will rest on the ability to remain adaptive to changing economic realities, with the assurance of inclusive growth, and dampening the interests of all parties involved. In the end, the exercise of comparison underscores that economic cooperation, regional or international, must be reconciled with equity and efficiency, sovereignty, and integration for sustainable development in an increasingly dynamic world.

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