

MHRM IV Sem.

International Human Resource Management



Unit – 4

Topic – Regional Integration- EU, NAFTA

Regional Integration



- Regional integration is the process by which two or more nation-states agree to co-operate and work closely together to achieve peace, stability and wealth.
- Usually integration involves one or more written agreements that describe the areas of cooperation in detail, as well as some coordinating bodies representing the countries involved.
- This co-operation usually begins with economic integration and as it continues, comes to include political integration.
- Regional integration agreements (RIAs) have led to major developments in international relations between and among many countries, specifically increases in international trade and investment and in the formation of regional trading blocs.

Important Function of RI



- The strengthening of trade integration in the region.
- The creation of an appropriate enabling environment for private sector development.
- The development of infrastructure programmes in support of economic growth and regional integration.
- The development of strong public sector institutions and good governance.
- The reduction of social exclusion and the development of an inclusive civil society.
- Contribution to peace and security in the region.
- The building of environment programmes at the regional level.
- The strengthening of the region's interaction with other regions of the world.

European Union



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European Union



- The union's purpose is to promote peace, establish a unified economic and monetary system, promote inclusion and combat discrimination, break down barriers to trade and borders, encourage technological and scientific developments, champion environmental protection, and, among others, promote goals like a competitive global market and social progress.
- So, put simply, the European Union is a coalition of 27 European countries, designed to tear down trade, economic and social barriers and promote flourishing in these areas.
- Established in 1993, the European Union's headquarters are currently located in Brussels, Belgium.

European Union



- In the post-World War II world, the European Union has sought to bolster the individual and collective economic and social well being of the countries involved, as well as establish a cohesive global marketplace that promotes trade and other social values.
- Originally confined to western Europe, the EU undertook a robust expansion into central and eastern Europe in the early 21st century.
- The EU was created by the Maastricht Treaty, which entered into force on November 1, 1993.
- The treaty was designed to enhance European political and economic integration by creating a single currency(the euro), a unified foreign and security policy, and common citizenship rights and by advancing cooperation in the areas of immigration, asylum, and judicial affairs.

European Union



- The EU's members are Austria, Belgium, Bulgaria, Croatia, Cyprus, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, and Sweden.
- The United Kingdom, which had been a founding member of the EU, left the organization in 2020.
- The EU was awarded the Nobel Prize for Peace in 2012, in recognition of the organization's efforts to promote peace and democracy in Europe.

Advantage of EU



- Freedom of movement.
- Better jobs and workers' protection.
- Access to health benefits.
- Lower prices of goods and services.
- Development of underdeveloped member regions.

Disadvantage of EU



- High cost of membership.
- Problems with the policies.
- Problems with the Single Currency.
- Overcrowding due to immigration.

North American Free Trade Agreement (NAFTA)



NAFTA

NORTH AMERICAN FREE
TRADE AGREEMENT

North American Trade Agreement (NAFTA)



- The North American Free Trade Agreement (NAFTA) is a treaty entered into by the United States, Canada and Mexico.
- It went into effect on January 1, 1994. (Free trade had existed between the U.S. and Canada since 1989, NAFTA broadened that arrangement).

North American Trade Agreement (NAFTA)



- NAFTA was created to eliminate tariff barriers to agricultural, manufacturing, and services, to remove investment restrictions, and to protect intellectual property rights.
- This was to be done while also addressing environmental and labour concerns (although many observers charge that the three governments have been lax in ensuring environmental and labour safeguards since the agreement went into effect).
- Small businesses were among those that were expected to benefit the most from the lowering of trade barriers since it would make doing business in Mexico and Canada less expensive and would reduce the red tape needed to import or export goods.

Purpose of NAFTA



- To eliminate barriers to trade in, and facilitate the cross-border movement of goods and services between the territories of the parties.
- To promote conditions of fair competition in the free trade area.
- To increase substantially investment opportunities in the territories of the parties.
- To provide adequate and effective protection and enforcement of intellectual property rights in each party's territory.
- To create effective procedures for the implementation and application of this agreement, for its joint administration and for the resolution of disputes.

Purpose of NAFTA



- To establish a framework for further tri-lateral, regional and multilateral co-operation to expand and enhance the benefits of this agreement.
- However, in simpler terms, NAFTA was designed to encourage economic growth and integration among the North American countries, and was thought to actually stimulate job growth, boost the three countries' respective economies, and increase imports.
- According to the Council on Foreign Relations, "the deal also sought to protect intellectual property, establish dispute-resolution mechanisms, and, through side agreements, implement labour and environmental safeguards."

Criticism of NAFTA



- It can be a cause for excessive pollution
- It can be the reason for people to lose jobs.
- It caused the suppression of wages in the US.
- It lead farmers to go out of business in Mexico.
- It caused the deterioration of Mexico's environment.
- It exploited maquiladora workers.

Positive Impact of NAFTA



- It allows for the establishment of trade standards.
- It ensures protection of intellectual property rights.
- It provides “national goods”.
- It opens up new opportunities.
- It increases trade between the US, Mexico and Canada.



Thank you!