EVALUATION REPORT

SYSTEMS EVALUATION OF ILAB'S TECHNICAL ASSISTANCE IN MEXICO'S AUTOMOTIVE SECTOR

August 2024

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ACKNOWLEDGMENT

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LIST OF ACRONYMS

AIR	American Institutes for Research
CAB	Conciliation and Arbitration Board
CALLE	Improving Working Conditions in the Mexican Automotive Supply Chain
CAMEL	Complexity-Aware Monitoring, Evaluation, and Learning
CAMINOS	Strengthening Mexican Inspectorate for Labor Enforcement
CBA	Collective Bargaining Agreement
CCE	Coordinating Business Council
CCT	Collective Labor Agreement
CFCRL	Federal Center for Conciliation and Labor Registration
CFO	Committee Fronterizo de Obreras y Obreros
CLA	Collaboration, Learning, and Adaptation
CONCAMIN	Confederation of Industrial Chambers of the United Mexican States
CONAMPROS	National Joint Committee for Salary Protection
CONAPRED	National Council to Prevent Discrimination
COPARMEX	Employers' Confederation of the Mexican Republic
CSO	Civil Society Organization
CTM	Confederation of Mexican Workers
DAC	Development Assistance Committee
ECMS	Electronic Case Management System
ESG	Environmental, Social, and Governance
FESIIAAAN	Federation of Independent Trade Unions of the Automotive, Auto Parts, Aerospace, and Tire Industries
FGD	Focus Group Discussion
FLACSO	Facultad Latinoamericana de Ciencias Sociales
FLL	Federal Labor Law
GOM	Government of Mexico
ILAB	Bureau of International Labor Affairs
IMLEB	Independent Mexico Labor Experts Board
IMSS	Mexican Social Security Institute
INA	Industria Nacional de Autopartes, A.C.
INMUJERES	National Institute for Women
JFCA	Federal Board of Conciliation and Arbitration
KII	Key Informant Interview
LBGTQAI+	Lesbian, Gay, Bisexual, Transgender, Intersex, Queer/Questioning, Asexual
LSOM	Liga Sindical Obrera Mexica
MAP	Mexico Awareness Raising Project
MIPYMES	Micro, Small, and Medium Enterprises
NGO	Non-Governmental Organization
OECD	Organization for Economic Co-operation and Development
OEM	Original Equipment Manufacturers
OH	Outcome Harvesting
OM	Outcome Mapping
OTLA	Office of Trade and Labor Affairs
PADF	Pan American Development Foundation
PMP	Performance Monitoring Plan
POA	Partners of the Americas
PROCADIST	Distance Training Program for Workers

PROFEDET	Federal Attorney's Office for the Defense of Labor
RRM	Rapid Response Mechanism
SC	Solidarity Center
SGLLE	Strengthening Government Labor Law Enforcement
SHCP	Ministry of Finance and Public Credit
SINTTIA	Sindicato Independiente Nacional de Trabajadores y Trabajadoras de la Industria Automotriz
SME	Small and Medium-Sized Enterprise
STPS	Secretariat of Labor and Social Welfare
TAC	Technical Assistance and Cooperation
TOC	Theory of Change
TOsC	Theory of Sustained Change
U-FE	Utilization-Focused Evaluation
UAQ	Autonomous University of Querétaro
USDOL	United States Department of Labor
USG	United States Government
USMCA	United States-Mexico-Canada Agreement
USTR	United States Trade Representative

EXECUTIVE SUMMARY

Introduction

The Bureau of International Labor Affairs (ILAB) leads the U.S. Department of Labor's (USDOL) efforts to ensure fair treatment for workers globally. ILAB's mission encompasses strengthening global labor standards, enforcing labor commitments among trading partners, promoting equity, and combating child labor, forced labor, and human trafficking.

ILAB's Office of Trade and Labor Affairs (OTLA) ensures U.S. trade agreements are fair for both American workers and workers worldwide. OTLA employs various tools—negotiating strong labor provisions in trade agreements, monitoring compliance, enforcing commitments, and sharing technical expertise—to ensure U.S. trade partners adhere to their obligations, providing a level playing field for American workers.

ILAB oversees labor commitments with Mexico and Canada under the United States-Mexico-Canada Agreement (USMCA). USMCA legislation allocated $180 million for technical assistance projects to help the Mexican Government meet its labor obligations, improve worker voice, and ensure employer compliance with labor laws. OTLA funds projects supporting the Mexican government, employer associations, workers, unions, and civil society organizations (CSOs) in implementing labor reforms, strengthening standards, promoting acceptable work conditions, and addressing risks of child labor and forced labor.

ILAB commissioned DevTech Systems, Inc. to evaluate its technical assistance portfolio in Mexico's automotive sector, focusing on the system dynamics and effectiveness of four sampled multi-year, multi-region initiatives:

1. Improving Working Conditions in the Mexican Automotive Supply Chain (CALLE), implemented by the American Institutes for Research (AIR);
2. Engaging Mexico's Auto Sector Employers in Labor Law Reform Implementation, implemented by the Pan American Development Foundation (PADF);
3. Engaging Workers and Civil Society to Strengthen Labor Law Enforcement, implemented by the Solidarity Center (SC); and,
4. Mexico Awareness Raising Project (MAP), implemented by Partners of the Americas (POA).

These projects collectively aim to enhance labor law enforcement and compliance in Mexico's automotive sector, engaging a wide array of stakeholders—including the government, employers, workers, and unions—to address systemic challenges in labor law implementation across Mexico.

Evaluation Purpose

This systems-level evaluation assessed ILAB's strategy and portfolio in protecting and fulfilling labor rights in Mexico's automotive sector. The evaluation focused on:
- Assessing the progress, effects, and influence of ILAB's interventions.
- Supporting ILAB and its grantees in adopting a systems dynamics perspective.[1]
- Identifying opportunities for enhanced collaboration and systemic change in the automotive sector.

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[1] For a detailed definition of these systems-thinking terms (systems dynamics and perspectives), please see this online glossary: Systems Thinking Glossary (systemsthinkingalliance.org)

Evaluation Approach and Criteria

The evaluation adopted a systems perspective, incorporating a utilization-focused evaluation approach with outcome mapping (OM) and outcome harvesting (OH) methodologies. This approach ensured that the findings were directly relevant to ILAB's strategic objectives and provided a detailed analysis of the interventions' systemic impacts. Guided by a comprehensive set of 10 criteria developed in collaboration with ILAB and its grantees, the evaluation addressed aspects such as relevance/validity, design, scalability, effectiveness, unintended effects, resource utilization, interconnectedness momentum, adaptive sustainability, consequence/influence, and diversity/inclusion.

Data Collection

Data collection included thorough document reviews, engagement of system actors, and the application of OM and OH methodologies. From November 2023 to February 2024, the team conducted both in-person and remote activities in Estado de Mexico, Guanajuato, Mexico City, and Morelos, engaging stakeholders from government, academia, civil society, labor unions, business sectors, and donor communities. Data-gathering methods included surveys, focus groups, and key informant interviews (KIIs), generating primary qualitative data from 179 participants, alongside an outcome journaling exercise yielding 16 entries. Surveys included a worker survey with 19 responses and a post-interview survey with 94 responses. In February 2024, the evaluation team held six validation workshops, involving 62 system actors from implementing partners, labor unions, academia, CSOs, the Mexican government, and business associations. These workshops were crucial for reflecting on, discussing, and integrating stakeholder feedback, significantly enriching the evaluation's insights.

Evaluation Results

This evaluation examined ILAB's initiatives in Mexico's automotive sector, directly addressing the outlined evaluation questions and criteria through a systems lens. The findings are delineated into specific thematic categories that each shed light on a critical aspect of labor rights and the effectiveness—or areas for improvement—of ILAB's work.

Awareness and Understanding of Labor Laws and Rights

ILAB's initiatives have significantly improved workers' awareness and understanding of labor laws and rights, particularly through projects like the POA MAP[2] and the SC Worker Project.[3] These efforts have broadened the understanding of labor laws and union rights across various sectors, with the automotive sector being a primary beneficiary.

However, the effectiveness of these initiatives varies, with impacts not uniformly felt across all links of the automotive supply chain and other USMCA priority sectors. Despite significant dissemination efforts, some sectors remained unaware of labor reforms. This disparity underscores the need to expand ILAB's interventions to ensure that advancements in awareness and understanding are universally extended across workers. Most system actors interviewed emphasized the importance of strengthening educational outreach to address gaps and ensure all workers gain a comprehensive understanding of their rights.

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[2] Mexico Awareness Raising Project implemented by Partners of the Americas; https://www.dol.gov/agencies/ilab/mexico-awareness-raising
[3] Engaging Workers and Civil Society to Strengthen Labor Law Enforcement implemented by Solidarity Center; https://www.dol.gov/agencies/ilab/engaging-workers-and-civil-society-strengthen-labor-law-enforcement

Stakeholders across the board—worker groups, unions, academia, U.S. government, some Mexican government entities, and implementers—indicated a pronounced demand for practical and comprehensive training on labor rights that bridges the gap between theoretical knowledge and real-world application. To address this effectively, curriculum development should integrate rights-based approaches, social inclusion, diversity, and legal frameworks. Additionally, modernizing training delivery through digital platforms and social media is also crucial to making training accessible and engaging for a wider range of workers.

Labor institutions, particularly the Federal Center for Conciliation and Labor Registration (CFCRL), have improved service delivery, crucial for building trust among workers. By having an active role and enhanced visibility and participation in resolving labor disputes, the CFCRL has fostered a growing sense of trust and credibility. ILAB's support for the CFCRL has created a positive feedback loop where improved services build trust and boost demand, leading to greater utilization of these services and strengthening relationships and interactions between workers and government entities.

Capacity Strengthening, Organization, and Advocacy

ILAB's targeted technical assistance initiatives have significantly enhanced the capacity of workers, unions, and CSOs to engage with labor reforms in Mexico's automotive sector. Key projects like the SC Worker Project have empowered these groups to identify, articulate, and address labor law violations, fostering a proactive stance in advocating for their rights.

These efforts have notably supported the development of democratic unions, increasing transparency and representation. The evolution toward democratic unionism, as noted by most interviewed system actors, plays a pivotal role in dispelling long-standing apprehensions and stimulating widespread participation, which is essential for advancing labor rights and reforms. However, the relatively small number of democratic unions and ongoing discussions regarding their sustainability highlights the need for targeted efforts to nurture their growth and amplify their impact within the labor reform framework.

The Rapid Response Mechanism (RRM) under the USMCA and ILAB's technical assistance have catalyzed the formation of democratic unions, marking a shift toward more inclusive and fair labor relations. Notable examples include the establishment of new independent unions at facilities like Saint Gobain in Cuautla, Mexico, and the formation of Sindicato Independiente Nacional de Trabajadores y Trabajadoras de la Industria Automotriz (SINTTIA) at the General Motors plant in Silao, the first independent union under the USMCA. SINTTIA features new female leadership, marking the first woman to hold a union leadership position in the Mexican automotive industry.[4] However, challenges such as resistance from employers and employer protection unions, and the sustainability of these democratic gains, remain.

ILAB's initiatives have also led to significant advancements in independent unions' organizing and representation capabilities, as pointed out by implementers, unions, and academia, resulting in successful collective bargaining outcomes, including wage increases

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[4] El Economista. (2022, March 14). Caso GM Silao: Historia de la líder y el movimiento laboral que se impuso a la CTM. El Economista. https://www.eleconomista.com.mx/capitalhumano/Caso-GM-Silao-Historia-de-la-lider-y-el-movimiento-laboral-que-se-impuso-a-la-CTM-20220314-0081.html

and enhanced benefits for workers. Despite these positive developments, traditional or employer protection union models still dominate, limiting the prevalence of transparent and equitable negotiations. The resistance from certain corporate cultures toward fully engaging with new and independent unions underscores the need for a systemic shift in attitudes toward labor reforms.

The Mexican automotive industry showcases a pronounced disparity in understanding and applying labor laws between large enterprises and small and medium-sized enterprises (SMEs). While larger companies generally comply with labor regulations, SMEs often struggle due to limited resources and understanding. ILAB's efforts, such as PADF's Auto Employers project,[5] aim to bridge these gaps by providing targeted interventions to enhance the human capacity of employers, especially SMEs, to foster compliance across the industry.

Efforts to enhance gender equity within unions have led to advancements, as noted by most system actors, contributing to a more inclusive environment[6] that facilitates broader participation for women. However, challenges such as gender-specific commissions and subtle gender discrimination during collective bargaining persist. To achieve a truly diverse union landscape that ensures substantial gender and lesbian, gay, bisexual, transgender, queer/questioning, intersex, and asexual (LGBTQIA+) inclusion, comprehensive training and affirmative action initiatives are necessary.

Enforcement of Labor Laws and Addressing Labor Law Violations

ILAB's initiatives have catalyzed significant improvements in enforcing labor laws within Mexico's automotive sector, focusing on enhancing labor inspections, strengthening institutional coordination, and proactively addressing labor law violations. The AIR CALLE[7] project exemplifies this approach, bolstering the Mexican government's capacity to protect workers' rights by providing technical assistance, innovative tools, and specialized training. These efforts have been effective in improving the quality of labor inspections and strengthening law enforcement coordination, as reflected by positive feedback from stakeholders.

The evaluation revealed a complex picture regarding employment conditions and workplace safety in Mexico's automotive sector. While government entities and business leaders claim significant improvements, worker centers and unions report ongoing hazardous conditions and coercive labor practices, such as mandatory overtime. The safety of machinery and overall workplace standards remain areas of concern, especially for SMEs. These discrepancies highlight the need for sector-specific strategies that prioritize upholding worker rights alongside productivity.

The RRM is recognized, particularly by independent unions, as an essential tool for protecting labor rights and addressing violations, particularly in the export sector. Its effectiveness, driven by independent worker movements and global attention, has prompted

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[5] Engaging Mexico's Auto Sector Employers in Labor Law Reform Implementation or Mexico Auto Employers implemented by Pan American Development Foundation; https://www.dol.gov/agencies/ilab/mexico-auto-employers

[6] For a detailed definition of this systems-thinking term, please see this online glossary: Systems Thinking Glossary (systemsthinkingalliance.org)

[7] Improving Working Conditions in the Mexican Automotive Supply Chain implemented by American Institutes for Research; https://www.dol.gov/agencies/ilab/improving-working-conditions-mexican-automotive-supply-chain-calle

calls for broader application across other sectors. However, government representatives and academia have raised concerns about overshadowing domestic conflict resolution mechanisms, and instances of employer retaliation suggest the need for the RRM to complement and strengthen national mechanisms, ensuring a comprehensive approach to labor rights enforcement.

Technological improvements in labor inspections, facilitated by ILAB through the AIR CALLE project, coincided with emerging best practices and trends toward increased compliance across the industry. Specifically, advanced technologies and electronic platforms promise to enhance inspection efficiency, ensuring effective resource use and tailored approaches to workplace safety, as government representatives have noted. Despite these advancements, stakeholders emphasized the need for a more holistic approach. To achieve this, professionalizing the labor inspectorate through structured career pathways and specialized training programs is essential. These investments will ensure inspectors possess the expertise to conduct precise and competent inspections, effectively addressing the industry's specific workplace health and safety challenges.

System actors, especially workers, academia, and implementers, prioritize enforcing sanctions for labor violations. They stress the need for significant penalties, streamlined procedural processes, and tackling corruption to guarantee fair enforcement. Procedural delays caused by an imbalance between legal representatives and inspectors hinder timely case resolutions.

Stakeholders, mainly unions and labor advocates, advocate for intensifying penalties and meticulously monitoring their enforcement, targeting both organizations and individual actors. They believe that a more stringent application of sanctions, along with enhanced oversight of compliance, will lead to a substantial increase in adherence to labor laws.

To achieve effective enforcement and promote compliance with labor laws, a holistic strategy is essential. This strategy should include capacity building for inspectors, imposing stringent sanctions, and collaborative anti-corruption efforts.

Promoting Compliance with Labor Laws

ILAB's interventions have significantly promoted compliance with labor laws by increasing employer awareness and supporting proactive measures to prevent violations. Through mechanisms that protect and enhance labor rights and comprehensive awareness-raising and capacity-strengthening activities, ILAB fosters a proactive commitment to labor law compliance.

A key example is PADF's Auto Employers project. This initiative targeted automotive sector employers, particularly small and medium-sized manufacturers, to bring them into compliance with Mexico's labor laws and improve working conditions.

Collaboration between workers in the United States and Mexico, particularly through the RRM, stands as an innovative model for improving labor rights across borders and has been praised by worker representatives in Mexico. This cooperation, spearheaded by the SC Worker Project, fosters strategic exchanges between U.S. and Mexican unions, enhancing collective labor advocacy and power. Worker representatives emphasized the importance of

these cross-border connections for promoting labor standards within the interconnected automotive industry.

Implementing labor reform in Mexico's automotive sector reveals a mix of progress and resistance. Despite steps toward compliance with new legal frameworks, certain segments of the business sector and employer protection unions show resistance or superficial adherence, falling short of embracing democratic practices and fair labor negotiations. Mechanisms like the RRM play a crucial role in supporting democratic unions and maintaining neutrality.

Collaboration, Learning, and Adaptation (CLA)

Although ILAB does not explicitly incorporate CLA principles in its programming, its management practices reflect key aspects of CLA, particularly adaptive management and robust monitoring and evaluation.

Adaptive Management: ILAB's Technical Assistance and Cooperation (TAC) approach emphasizes flexibility and responsiveness. Project managers create adaptable processes that respond to new information and changing circumstances. This approach allows continuous strategy refinement and the implementation of innovative solutions to address the dynamic nature of labor challenges, as ILAB implementers note.

Monitoring and Evaluation: ILAB uses comprehensive monitoring and evaluation frameworks to track the progress of its initiatives and has recently integrated Complexity-Aware Monitoring, Evaluation, and Learning (CAMEL). This supports continuous refinement and timely adaptation of strategies, enhancing their effectiveness in a dynamic environment.

Stakeholder Engagement and Knowledge Sharing: ILAB's initiatives show evidence of stakeholder engagement and knowledge sharing. By involving a wide range of stakeholders, ILAB builds trust and strengthens partnerships, which is essential for the sustainability of labor law enforcement and compliance efforts. Through workshops, training sessions, and other collaborative activities, ILAB fosters continuous learning and the exchange of best practices, experiences, and innovative solutions. Labor networks, especially those associated with university labor centers, play a critical role by facilitating knowledge sharing and solidarity among workers across sectors and regions. These networks, promoted by the SC Worker Project, provide platforms for exchanging strategies and experiences, which are crucial for understanding labor rights and collective action.

ILAB's technical assistance has contributed to sectoral collaboration within Mexico's automotive industry. Projects like PADF's Auto Employers project have provided structured learning through specialized diploma programs. These programs equip industry leaders and their associations with a deep understanding of labor reforms, ensuring effective implementation and clear communication of these reforms across the sector. Additionally, collaborative efforts with the Secretariat of Labor and Social Welfare (STPS) and other local authorities have fostered coordination and cooperation across different levels of the industry, fostering a comprehensive approach to sector-specific issues.

To further its collaborative efforts and adapt to the Mexican context, ILAB should emphasize strengthening linkages and networks. This includes fostering connections among business chambers, clusters, and local authorities and gradually integrating democratic unions and

workers to bolster a unified approach toward implementing reforms. By continuing to develop structured knowledge, enhancing strategic communication, and fostering cooperative relationships, ILAB can ensure the automotive sector builds a cohesive and well-informed base for the ongoing application of labor reforms in Mexico.

System actors across the board highlighted the need for ILAB to expand its support to include a broader spectrum of actors, such as non-unionized salaried employees, members of employer protection unions, and individuals within the informal sector. Promoting partnerships with key legal entities like the Federal Attorney's Office for the Defense of Labor (PROFEDET) is also vital for effectively addressing labor violations. Broadening ILAB's technical assistance to encompass diverse worker groups fosters an inclusive environment where all workers have access to justice and fair treatment.

Resource Use

ILAB's four sampled initiatives in Mexico have demonstrated strategic resource allocation, especially in supporting the CFCRL, resulting in significant advancements in technological platform access and organizational planning. However, challenges remain with the STPS, such as limited personnel and financial resources, which hinder the full utilization of electronic platforms and retention of skilled inspectors. Worker training has been effective in enhancing their ability to identify, articulate, and act upon labor law violations but has not reached a large portion of workers. Additionally, the impact on smaller employers and the private sector varies, leading to different benefits across the supply chain. Overall, ILAB's contributions are critical but more time is needed to fully measure and realize the outcomes and benefits.

Diversity and Inclusion

ILAB's efforts to facilitate labor reform and improve working conditions in Mexico's automotive industry have primarily targeted the general workforce, with structured attempts to integrate gender considerations. Projects like the POA MAP included gender-related outcomes and activities for women, indigenous workers, and non-unionized employees. However, challenges such as gender discrimination and harassment persist, requiring comprehensive solutions, including cultural shifts and legal enforcement. Additionally, a lack of comprehensive data on vulnerable groups hinders tailored interventions. Effective inclusion demands a data-driven approach, addressing the specific needs of underserved populations and rigorously measuring outcomes. Based on the evaluation findings, significant progress in gender equity within unions is evident, but ongoing attention is needed to address discrimination and ensure inclusive participation across all union activities.

Recommendations

The recommendations presented are the result of comprehensive data collection and engagement with diverse stakeholders during the systems' evaluation. Refined through validation workshops, they reflect the top nine prioritized actions based on stakeholder feedback. Additionally, the final recommendation, contributed by the evaluation team, addresses critical findings and aims to enhance the effectiveness of ILAB's initiatives.

1. **Knowledge Transfer and Capacity Building: (1) For Workers:** Expand labor rights and negotiation training with practical, real-life scenarios and contextually relevant teaching. **(2)**

For Employers: Enhance compliance training programs focused on fostering democratic practices and social dialogue during collective contract consultations.

2. **Gender Equity and Female Participation:** Promote gender diversity in union activities and leadership roles and foster a cultural shift toward inclusivity with specific policies and masculinity training.

3. **Autonomous and Independent Union Training:** Initiate training programs that promote autonomy, democracy, and effective negotiation within unions, involving both new and existing unions.

4. **Interinstitutional Coordination Improvement:** Strengthen collaboration among government agencies and labor institutions through robust legal mechanisms for consistent and continuous application of labor laws.

5. **Multi-Stakeholder Collaboration Strengthening:** Develop multi-stakeholder coordination platforms that include diverse participants like government, unions, non-union workers, labor centers, non-governmental organizations (NGOs), and employers.

6. **Enhance the Enforcement of Effective and Fair Sanctions:** Ensure rigorous, equitable, and effectively enforced sanctions to maintain compliance with labor regulations, with clear definitions and strong enforcement agencies.

7. **Ongoing Education and Awareness:** Launch long-term education programs using both innovative technologies and traditional outreach methods to increase awareness about labor rights and obligations.

8. **Strengthening of Labor Inspections:** Enhance labor inspection capacity through comprehensive training, professional development, and adequate resource allocation, including fair compensation for inspectors.

9. **Promotion of Occupational Safety and Health:** Implement comprehensive safety initiatives, integrate social dialogue, and collaborate with training organizations and regulatory bodies to enforce safety regulations.

10. **Development of a Strategic Country Framework:** Develop an ILAB-wide strategic country framework for Mexico with sector-specific goals, a systemic programming approach, a long-term vision, and a stakeholder engagement plan.

1. PURPOSE

The Bureau of International Labor Affairs (ILAB) leads the U.S. Department of Labor's (USDOL) efforts to ensure that workers around the world are treated fairly and are able to share in the benefits of the global economy. ILAB's mission is to strengthen global labor standards, enforce labor commitments among trading partners, promote racial and gender equity, and combat international child labor, forced labor, and human trafficking.

ILAB's Office of Trade and Labor Affairs' (OTLA) mission is to ensure that U.S. trade agreements are fair for American workers and workers worldwide. OTLA uses all available tools—including negotiating strong labor provisions in U.S. trade agreements and preference programs, monitoring for compliance, enforcing trade agreement and preference program commitments, and sharing technical expertise—to make sure that U.S. trade partners fulfill their promises and play by the rules and that American workers are able to compete on a level playing field.

ILAB is responsible for monitoring and engaging with Mexico and Canada regarding their labor commitments to the United States-Mexico-Canada Agreement (USMCA). The USMCA implementing legislation included $180 million in total appropriations for USMCA-related technical assistance projects to help the Government of Mexico meet its labor obligations and support improved worker voice and employer compliance with labor laws within USMCA priority sectors. OTLA funds projects to support the Government of Mexico, employer associations, workers, unions, and civil society organizations (CSOs) in implementing labor reform, strengthening labor standards to protect workers, promoting acceptable work conditions, and addressing risks of child labor and forced labor. As part of these efforts, ILAB commissioned DevTech Systems, Inc. to evaluate its technical assistance portfolio in the automotive sector in Mexico, focusing on system dynamics and the effectiveness of four multi-year multi-region initiatives.

1.1. EVALUATION PURPOSE

The purpose of this systems-level evaluation was to assess ILAB's strategy and portfolio designed to ensure the protection and fulfillment of workers' labor rights, including an inclusive, safe, and healthy working environment for Mexico's automotive workforce. Specifically, the evaluation assessed the collective efforts by sampling four projects to:
1.   Gather relevant information on the progress, effects, and influence of ILAB's interventions in the automotive sector;
2.   Support ILAB and its grantees to consider their interventions from a system dynamics perspective; and,
3.   Identify emergent opportunities for enhanced collaboration and adaptation and other ways the interventions can be more effectively implemented and supported to advance their objectives and contribute to systemic change in the automotive sector.

> **Systems-level evaluation** examines how projects or interventions impact the larger system they are part of. This approach looks at how technical assistance projects function within their broader context. It goes beyond evaluating individual projects to understand how they interact with and affect the wider environment they operate in.

1.2. EVALUATION QUESTIONS

In collaboration with ILAB, the DevTech evaluation team prepared a preliminary set of evaluation criteria and associated questions.[8] To ensure the evaluation genuinely reflects the scope and priorities of ILAB and its implementing partners, the evaluation team adopted a participatory process to refine these criteria. The team designed a brief online survey for ILAB staff and grantees to rank 13 evaluation criteria and their corresponding 16 questions. Each criterion was ranked according to its relevance to the understanding of ILAB's interventions, the dynamics of the automotive industry, and the potential implementation challenges and opportunities.

This method allowed us to incorporate the perspectives and priorities of those closely involved in the projects' execution. As a result of this consultative process, we established a set of 10 evaluation criteria and associated questions that are comprehensive, focused, and tailored specifically to the unique context of ILAB's technical assistance in the Mexican automotive sector. These questions are outlined below.

Table 1: Evaluation Criteria and Corresponding Evaluation Questions

Evaluation Criteria	No.	Evaluation Question
1. Relevance/Validity	1.1	To what extent were the goals and activities of ILAB's technical assistance aligned with the needs, priorities, culture, and circumstances of the system actors in the automotive sector?
	1.2	To what extent did ILAB's technical assistance adapt to changing stakeholder needs and priorities as contextual realities evolved?
2. Design	2.1	To what extent did the design of ILAB's technical assistance consider the complexity[9] and dynamics of the automotive sector?
	2.2	To what extent and how could ILAB—along with its partners—enhance its collaboration and adaptation within the Mexican context to achieve the desired results across the automotive sector and beyond?
3. Replicability/Scalability	3.1	To what extent are the principles, components, and activities facilitated through ILAB's technical assistance replicable to other sectors or contexts to strengthen labor rights? Are they scalable?
4. Effectiveness	4.1	To what extent has ILAB's technical assistance achieved or advanced toward the desired outcomes and objectives? What factors facilitated or inhibited their success?
	4.2	What shifts in system actors' behavior,[10] actions, policies, or practices can be plausibly linked to ILAB's technical assistance in the Mexican automotive sector?
5. Unintended Effects	5.1	Were there any unexpected effects—either positive or negative—that can be associated with ILAB's technical assistance?

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[8] The evaluation criteria and associated questions were formulated in accordance with the Organization for Economic Co-operation and Development (OECD)-Development Assistance Committee (DAC) criteria (OECD/DAC Network on Development Evaluation, 2019), as well as Teasdale (2021).

[9] For a detailed definition of this systems-thinking term, please see this online glossary: Systems Thinking Glossary (systemsthinkingalliance.org)

[10] For a detailed definition of this systems-thinking term, please see this online glossary: Systems Thinking Glossary (systemsthinkingalliance.org)

Evaluation Criteria	No.	Evaluation Question
6. Resource Use	6.1	To what extent were resources such as funding, personnel, and materials used efficiently? Was the level of benefit produced by the interventions appropriate in relation to the resources invested?
7. Interconnectedness Momentum	7.1	To what extent has ILAB's technical assistance influenced relationships and interactions among workers, employers, government entities, and networks within the Mexican automotive sector?
	7.2	How have these relationships and interactions supported or accelerated momentum for transformational change in the Mexican automotive sector and beyond?
8. Adaptive Sustainability	8.1	To what degree are the achievements of ILAB's technical assistance likely to be sustained and adapted over time in the absence of continued ILAB support? What factors may inhibit or enhance sustainability?
9. Consequence/Influence	9.1	To what extent is ILAB's technical assistance likely to generate significant benefits and higher-level effects to the intended system actors and the broader automotive sector supply chain?
10. Diversity/Inclusion	10.1	To what extent do the design and implementation of the interventions reflect the needs and priorities of diverse stakeholders, including marginalized and underserved populations? [11]

These evaluation criteria and their corresponding questions provided the structure for the evaluation and were tailored to the specific learning priorities, objectives, expected results, activities, and stakeholders of ILAB's portfolio.

1.3. EVALUATION APPROACH

Our evaluation, deeply rooted in a systems perspective, aimed to meticulously analyze the dynamics and influence of the ILAB portfolio within the Mexican automotive industry. This comprehensive evaluation strategy was designed to intertwine the principles of utilization-focused evaluations (U-FEs) with the innovative methodologies of outcome mapping (OM) and outcome harvesting (OH). The U-FE's core principle—that the utility of an evaluation is directly linked to its relevance and application for its intended users—guided our approach, ensuring that our findings, conclusions, and recommendations directly align with ILAB/Office of Trade and Labor Affairs' (OTLA) strategic learning objectives. A detailed methodology is provided in Annex F. Terms of Reference, Methodology, and Limitations.

Our methodology underscored the importance of engaging a broad spectrum of stakeholders identified as boundary[12] partners. These included government entities, academia, CSOs, labor unions, business associations, employers, workers, and donor partners. This inclusive approach ensured a holistic understanding of the sector's dynamics and the impact of ILAB's interventions. Engagement with these stakeholders through OM was initiated by identifying

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[11] Refers to populations who have been historically underserved, marginalized, or denied equitable treatment on the basis of disability, gender identity, sexual orientation, race, ethnicity, religion, migration status, and persons or groups otherwise adversely affected by persistent poverty or inequality.

[12] For a detailed definition of this systems-thinking term, please see this online glossary: Systems Thinking Glossary (systemsthinkingalliance.org)

boundary partners, proceeding to define the outcome challenge, creating strategy maps, and setting progress markers.

OM served as our primary tool for dissecting and understanding the nuanced system-level changes brought about by ILAB's interventions. This approach focuses on identifying and analyzing behavioral shifts among key stakeholders or system actors, providing a granular view of the system's transformation, and establishing tangible linkages between ILAB's actions and these broader changes.

Complementary to OM, OH was employed to aggregate and examine the evidence of outcomes, encapsulating a wide array of changes—ranging from behavioral shifts to policy adaptations and capturing both the expected and unexpected. These methodologies collectively enabled a thorough exploration of the intricate system dynamics and the significant impact of ILAB's portfolio. A co-creation workshop in Mexico City with ILAB and project grantees established a systems-level theory of change (TOC) based on ILAB's theory of sustained change (TOsC)[13] (refer to Annex A. Visual Representation of the Theory of Change). This foundational step facilitated a guided evaluation and systems-level analysis based on ILAB's strategic framework within the sector. It also served to check and validate ILAB's TOsC for worker rights programs in this context.

Our data collection methodology encompassed a comprehensive document review, stakeholder engagement through a multi-faceted approach, and the application of OM and OH methodologies to capture the nuanced effects of ILAB's interventions.

From November 2023 to February 2024, the team conducted data collection efforts that included both in-person and remote activities with three distinct types of stakeholders or systems actors within the automotive sector, which were directly or indirectly influenced by ILAB's technical assistance: workers and worker-led organizations, employers and business owners, and the government at three different but interconnected levels (federal, state, and local). The key system actors within the automotive sector are integral to understanding the sector's dynamics and implementing effective interventions. These actors are highlighted in Figure 1 below. Throughout the report, the team will refer to these key stakeholders within the automotive sector as *system actors*.

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[13] The TOsC is available online in English and Spanish.

Figure 1: Key System Actors within the Mexico Automotive Sector

Federal
- Government of Mexico
  - Secretaría de Trabajo y Previsión Social (STPS), including: Unidad de Trabajo Digno, Área Jurídica, Área estadística, y Área de tecnología.
  - Federal Center for Conciliation and Labor Registration
  - Independent Mexico Labor Experts Board (IMLEB)
- Industria Nacional de Autopartes, A.C. (INA)
- Red Nacional de Clusters Automotrices
- Labor Unions
- Business Associations
- Worker Organizations and Confederations
- Media Outlets
- DOL and its Grantees

State
- State-Level Government Institutions
  - State Ministries of Labor, including Inspection Units
- Labor Unions
- Business Associations
- Worker Organizations and Confederations
- CSOs
- Academia
- Media Outlets
- DOL and its Grantees

Local
- General Public
- Workers and Worker Centers
- Employers and Business Owners
- CSOs
- DOL and its Grantees

A concise survey distributed to automotive sector workers via union leadership channels yielded 19 responses. Given the large population of thousands of workers and the low response rate, the evaluation team could not perform a quantitative analysis. Instead, this data was used to triangulate qualitative findings. Additionally, a post-interview survey administered to in-person activity participants received 94 responses, resulting in a 53 percent response rate. An outcome journaling exercise was distributed to key stakeholders, including implementing partners, government, businesses, labor unions, and academia, resulting in 16 responses. Given the nature of this qualitative exercise, the evaluation team was able to derive findings, particularly those concerning unintended effects. A total of 77 in-person activities were carried out, yielding primary qualitative data from 179 respondents. The in-person data collection phase occurred November 9–30, 2023. Remote data collection began on November 10, 2023, and concluded in February 2024. In total, slightly over half (52 percent) of the data collection activities were conducted in person in Estado de Mexico, Guanajuato, Mexico City, and Morelos. These in-person activities included 24 focus group discussions (FGDs) with 94 participants and 19 key informant interviews (KIIs) with 22 participants. Table 2 displays the number of KIIs and FGDs, as well as the overall number of participants from each category of stakeholder and disaggregated by gender. (Refer to Annex D. Evaluation Itinerary, Overview of Data Collection for more information about the KIIs and FGDs performed with each stakeholder type and location.)

Table 2: Breakdown of Stakeholder Types, KIIs/FGD Participation, and Total Participants

Stakeholder Type	KII	FGD	# Participants		
			M	F	Total
Academia, CSOs, media outlets, and other relevant local or national organizations	16	4	18	11	29
Business associations	7	2	17	8	25
Grantee and implementing partners	1	7	14	15	29
Host-country government	9	4	18	9	27

Stakeholder Type	KII	FGD	# Participants		
			M	F	Total
Labor unions	6	8	28	16	44
U.S. and Canadian governments	6	0	6	8	14
Workers/worker groups	4	3	8	3	11
Grand total	49	28	109	70	179

Based on the preliminary findings from the fieldwork, the team conducted six validation workshops on February 20 and 21, marking a pivotal phase in our evaluation process. These workshops facilitated a collaborative space for reflection, discussion, and feedback integration among the evaluation team and stakeholders. The team organized four in-person workshops in San Luis Potosi and Guanajuato, with two additional sessions held in Mexico City. To accommodate wider participation and leverage technology for inclusivity, the team conducted two workshops virtually. A total of 62 system actors participated in these workshops, encompassing a broad range of perspectives from implementing partners, labor unions, academia, CSOs, the Mexican government, and business associations. The distribution included 45 in-person attendees and 17 remote participants. These workshops served as an essential platform for substantiating the outcomes harvested during the evaluation, allowing stakeholders to validate, contest, or refine the findings, conclusions, and insights drawn from the data collection phase. Refer to Annex E. Stakeholder Workshop Agenda and Participants for more information about the validation workshops.

1.4. INTENDED USERS

The primary intended users of this evaluation are USDOL ILAB, its implementing partners, and other institutional partners, with a particular focus on Mexico. This evaluation delivers a comprehensive analysis of the impacts, effects, and influences of ILAB's systemic approach within the Mexican automotive sector, including emerging opportunities for enhanced collaboration and adaptive interventions.

For ILAB, the evaluation presents insights into the systemic impacts of its technical assistance and informs potential areas of strategic emphasis to optimize systems-level change. Similarly, the evaluation aims to enable the grantees to discern how their interventions can be further refined to better align with the overall systems approach and contribute to achieving shared goals.

The findings, conclusions, and recommendations of the evaluation guide necessary adjustments to enhance collective impact at the systems level. While the evaluation primarily targets ILAB and its grantees, it also carries relevance for a broader global audience. In line with standard USDOL practices, this evaluation report will be published on the USDOL website. Thus, it is structured as a standalone document, providing essential background information for readers who may not be familiar with the projects' specifics but are interested in transforming the automotive sector or other sectors through systemic interventions.

A detailed communication and dissemination plan, which included the specific methods and activities for sharing the evaluation's results and accomplishments with each target audience, was prepared as a separate document.

1.5. ANALYSIS AND INTERPRETATION OF RESULTS

Qualitative data was derived from stakeholder engagements via key informant interviews (KIIs), focus group discussions (FGDs) during data collection, stakeholder validation workshops, outcome journals, and policy, project, and research documents. The evaluation team analyzed this data thematically using Atlas.ti, an online document coding tool that facilitates group interactions and review.

Initially, the team defined a set of codes or descriptors relevant to key evaluation topics. These codes were closely aligned with the evaluation questions and applied consistently across all qualitative data, including documents, interviews, and focus groups.

Quantitative analysis involves the systematic examination of both primary and secondary data. Primary data included surveys conducted with stakeholders, while secondary data consisted of available monitoring data. The online survey for workers yielded only 19 responses, which were not displayed in the analysis due to lack of representativeness but were used to triangulate results and add qualitative data.

For the synthesis and interpretation of findings, the team reviewed the coded data to identify patterns[14] and trends. When multiple perspectives (i.e., at least three actors) converged on an idea, the team selected it for reporting. The team prepared a preliminary findings and recommendations document, validated it internally with the evaluation team, and then externally with Mexican stakeholders during the stakeholder validation workshops. After gathering this feedback, the team integrated it into the findings and developed the full report using multiple sources of evidence.

While the team triangulated primary data with secondary data, we intentionally displayed findings from primary data whenever possible, as it was the richest source of evidence. **Therefore, in the report, perspectives come from primary data gathered during data collection, unless otherwise noted. Due to privacy and confidentiality concerns, the team does not include identifiable information with these perspectives. If a secondary source is used, it is adequately cited.**

1.6. LIMITATIONS

The evaluation faced several limitations that were acknowledged and addressed to enhance the credibility and applicability of the findings.

1. **Data Collection Timeline:** The three-week fieldwork period restricted engagement with all project sites and stakeholders. To mitigate this, the evaluation team, in collaboration with ILAB and grantees, selected a diverse and representative sample of sites and stakeholders.

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[14] For a detailed definition of this systems-thinking term, please see this online glossary: Systems Thinking Glossary (systemsthinkingalliance.org)

In addition, the evaluation team conducted a parallel virtual data collection process that remained open for an extended period, concluding in February. This virtual approach allowed for broader participation and a more comprehensive data set.

2. **Design Challenges:** The four sampled projects were not originally designed with a systems approach, complicating the mapping of their collective impacts. The evaluation team developed a system-level TOC to navigate these complexities and understand the combined impacts of the interventions.

3. **Selection Bias:** There was a potential risk of selection bias due to reliance on project documentation to identify participants. To counter this, the team included a diverse range of stakeholders through stakeholder mapping and snowball sampling techniques.

4. **Cognitive Biases:** Data from interviews could be subject to recall and social desirability biases. The team mitigated these by clarifying evaluation objectives, assuring confidentiality, and creating a safe environment for candid responses. Data triangulation across different respondent groups and methods was also employed to ensure validity and reliability.

5. **Data Reliability:** The evaluation relied largely on qualitative data, which could be influenced by stakeholder perception. To bolster robustness, the team used data triangulation methods and validation workshops with diverse stakeholders to cross-verify evidence and ensure an accurate reflection of ILAB's interventions.

6. **Sectoral Focus:** The evaluation focused solely on the automotive sector. Projects such as the POA MAP address multiple sectors, and their full impact cannot be captured within the scope of this evaluation. This sectoral limitation may influence the comprehensiveness of the evaluation findings.

By proactively addressing these limitations, the evaluation aimed to provide a comprehensive and credible assessment of the systemic impacts of ILAB's interventions within the Mexican automotive sector.

2. PROJECT CONTEXT AND DESCRIPTION

2.1. CONTEXTUAL ANALYSIS

The Mexican automotive sector is the seventh largest in the world, producing approximately three million vehicles annually. It also represents one of the fastest-growing sectors globally, with production increasing by an average of 5 percent per year over the past five years.[15] Accounting for 3.5 percent of GDP and 20 percent of manufacturing GDP, the automotive sector is vital to the Mexican economy.[16] As of March 2023, the Mexican automotive sector employed over 1.2 million people nationwide, the majority of whom were male between the ages of 25 and 34.[17,18]

Despite the extraordinary growth of the automotive sector in Mexico, improvements in working conditions have not followed suit. In fact, real wages have been on a constant decline since the 1980s. Although Mexico is one of the three major U.S. trading partners and plays a strategic and prominent role in the North American automotive supply chain, Mexican workers earn average wages that are nearly nine times lower than their U.S. counterparts.[19]

Central to this widening labor disparity are Mexico's old-established employer protection unions. Historically, these types of unions were formed to shield employers from worker demands by systematically denying their human and labor rights. Employer protection unions often operate without genuine representation from workers and, in many cases, without workers' consent. Contributing factors to their establishment include the easily achievable requirements stipulated by the Federal Labor Law (FLL), the pro-business orientation of labor authorities, and the historic landscape of corporatist unionism that favors business interests and entertains client-focused relationships with political parties.[20] Over time, these practices evolved, and protection unions have gained notoriety for colluding with corporations, using various means—including corruption, intimidation, and even violence—to suppress legitimate worker-led independent unions and safeguard employer investments.[21]

A critical element facilitating the proliferation of protection unions is the presence of a market for "Employer Protection Contracts" ("Contratos colectivos de protección"). The largest majority of Mexican unions, with the exception of a few that remain independent,[22] participate in the sale of these protection agreements. As estimated by the Mexican Secretary of Labor, 85 percent of

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[15] International Trade Administration: https://www.trade.gov/country-commercial-guides/mexico-automotive-industry
[16] International Trade Administration: https://www.trade.gov/country-commercial-guides/mexico-automotive-industry
[17] Statista: https://www.statista.com/statistics/1053310/mexico-automotive-industry-employment-by-sector/
[18] International Trade Administration: https://www.trade.gov/country-commercial-guides/mexico-automotive-industry
[19] El Economista, https://www.eleconomista.com.mx/empresas/Comparacion-de-salarios-en-Mexico-y-Estados-Unidos-manufactura-20211017-0004.html (8/16/2023)
[20] De Buen, Ernesto. (2015). Revista Latinoamericana de Derecho Social Núm. 20, enero-junio, pp. 109-112.
[21] Davis, Benjamin, Polaski, Sandra, Wade, Jason, Mauer, Dan, Beatty, Timothy, & Feingold, Catherine. (2023). IMLEB Report-2023 03 20 FINAL. 10.13140/RG.2.2.29046.27204 at https://www.researchgate.net/publication/369383619_IMLEB_Report-2023_03_20_FINAL)
[22] These include La Federación de Sindicatos Independientes de la Industria Automotriz, Autopartes y Aeroespacial.

existing collective labor agreements in the country fall under this category.[23] Various stakeholders, including employers and employers' associations, labor authorities, and legal intermediaries at the federal and state levels, play a role in perpetuating this system of "protection contracts."[24]

2.2. LABOR REFORM AND IMPLEMENTATION

The 2017 constitutional reform in Mexico laid the groundwork for an ambitious overhaul of the FLL in May 2019. This legislative shift aimed to enhance workers' rights, bringing Mexico's labor framework into alignment with international standards and regulations. This reform effectively dissolved the tripartite Conciliation and Arbitration Boards (CABs), replacing them with a judicial labor court system—Tribunales Laborales—which falls under the judiciary's purview. These courts are mandated to resolve all varieties of labor conflicts, including those involving both unionized and non-unionized workers. Notably, a significant proportion of these cases are against the Mexican Social Security Institute (IMSS), marking many disputes as essentially being between workers and the state.[25]

The reform also led to the establishment of the Federal Center for Labor Conciliation and Registration (CFCRL). This entity is responsible for registering all collective bargaining agreements (CBAs) and unions at a national level, as well as performing federal conciliation functions. Additionally, a system of local conciliation centers was created for carrying out conciliation services in labor conflicts.[26] The legislation further mandated that all new CBAs undergo a validation process. Union leadership elections are now required to be conducted through a personal, free, secret, and direct voting mechanism. As a legal obligation, unions must share copies of CBAs, union statutes, and financial reports with their members. Furthermore, the reform stipulated that all CBAs must undergo a legitimization process involving a secret ballot vote by the affected workers. Any CBA that was not legitimized by the workers they cover by the deadline of May 1, 2023, would expire. However, workers would retain any wages or benefits guaranteed under the expired contracts. As of August 9, 2023, the Mexican labor authority estimates that 27,898 CBAs had been legitimized, over four million workers had been consulted, and more than 90,000 contracts had expired after the deadline for legitimization, according to the most recent data from CFCRL.

These comprehensive labor reforms—involving labor justice, union democracy procedures, and the establishment of the new Federal Center for Labor Conciliation and Registration—were undertaken by Mexico to meet its obligations under the United States-Mexico-Canada Agreement (USMCA). They comprise the most ambitious revamp of the country's labor relations and labor legal framework in over a century. In this landscape, the U.S. Department of Labor allocated $188 million to fund technical assistance aimed at strengthening the implementation

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[23]El Economista. https://www.eleconomista.com.mx/capitalhumano/Contratos-de-proteccion-el-gran-desafio-para-la-reforma-laboral-y-el-T-MEC-20211119-0045.html (8/16/2023)

[24] De Buen, Ernesto. (2015). Revista Latinoamericana de Derecho Social Núm. 20, enero-junio, pp. 109-112

[25] For example, according to a report from December 4, 2019, in the La Reforma Newspaper, in the Federal Board of Conciliation and Arbitration (JFCA), lawsuits against public institutions predominate, especially the Mexican Social Security Institute (IMSS). Of the 302,101 matters that the Federal Board had at that moment, 68.97 percent were related to public institutions, entities, or organizations. There are 157,294 lawsuits against the IMSS (around 52 percent of all the cases JFCA had at the time).

[26] USMCA: Labor provisions—CRS Reports: crsreports.congress.gov/product/pdf/IF/IF11308

of the labor law reform. This investment has sought to strengthen Mexican workers' rights to freedom of association and authentic collective bargaining, with a specific focus on workers in the automotive sector, as well as other industries prioritized by the USMCA.

2.3. WORKERS' RIGHTS UNDER THE REFORMED FEDERAL LABOR LAW

In alignment with international regulations and labor rights standards, the reformed FLL guarantees workers specific rights, including:

- **Freedom of association and collective bargaining:** The reform strengthens workers' legal right to form and join unions and enhances collective bargaining processes, requiring validation for new collective bargaining agreements.

- **A safe and healthy work environment:** Employers are obligated to meet strengthened legal requirements to provide workers with a safe and healthy work environment, free from hazards that could cause injury or illness.

- **Fair wages and benefits:** The law continues to entitle workers to fair wages and benefits, including paid vacation, sick leave, and maternity leave while introducing new levels of scrutiny for wage and benefit negotiations.

- **Standardized hours of work and overtime pay:** The legal standard workweek in Mexico remains at 48 hours. Workers may earn double pay for up to 57 hours of double-paid overtime. Beyond that, triple pay is sanctioned under certain conditions in accordance with regulations. The reform maintains these existing elements.

- **Transparency and union democracy:** The reform mandates enhanced transparency and democratic practices within unions. Union leaders must be elected through personal, free, secret, and direct voting. Additionally, unions are required to share copies of CBAs, union statutes, and financial reports with their members.

- **Non-discrimination:** The reform strengthens existing protections against discrimination on the basis of race, gender, religion, or national origin by introducing more severe penalties for non-compliance.

2.4. THE REALITIES OF TODAY

Despite a robust regulatory framework, Mexico, like many other countries, continues to experience labor rights violations, including the repression of freedom of association and collective bargaining, anti-union violence, occupational health, and safety violations; labor discrimination and workplace harassment; gender and social inequality; and, forced and child labor. In the context of the automotive sector, specific challenges are particularly concerning. Workers have been denied the right to form and join unions and engage in collective bargaining, often due to the presence of employer protection unions, which collude with local authorities and employers. Additionally, subcontracted workers, in particular, face hazardous working conditions that are often more severe than those encountered by the broader automotive workforce. These hazards can lead to severe injuries, fatalities, or exposure to toxic chemicals. Beyond physical risks, there have also been reports of harassment and abuse of workers. These

violations and hazards, further exacerbated by traditional gender and social norms, are more widely experienced among women and other vulnerable—often marginalized—populations.

Nevertheless, while on-the-ground challenges persist in the form of labor rights violations and employer malpractices, the Mexican federal government has demonstrated a clear commitment to enhancing labor standards. The presidency of López Obrador has enacted policies resulting in significant increases in the minimum wage, reductions in under-employment, and limitations on labor subcontracting. Furthermore, legislative reforms—such as the establishment of a new, more transparent, and efficient labor justice system—highlight the government's commitment to improving labor conditions. This commitment is further underscored by the passage of international agreements such as the USMCA, which mandates compliance by the Mexican government, employers, and unions with new obligations under the FLL, and introduces innovative enforcement mechanisms such as the Rapid Response Labor Mechanism that addresses labor rights violations at the facility level. While these initiatives represent important milestones, their effectiveness in addressing persistent labor challenges remains an ongoing question. In this context, this evaluation of ILAB's portfolio provides additional insights into the impact of various labor-related interventions in Mexico's automotive sector.

2.5.A SYSTEM-LEVEL APPROACH TO WORKER RIGHTS IN MEXICO'S AUTOMOTIVE SECTOR

ILAB is committed to promoting labor rights in the Mexican automotive sector through targeted technical assistance. Aligned with the priorities outlined in the Mexican Federal Labor Law and USMCA, ILAB seeks to leverage existing momentum in the automotive sector to enhance enforcement and compliance with labor laws and elevate workers' voices to exercise their rights, thereby ensuring workers' rights are protected.

This necessitates systems-level change involving an organized group of interdependent actors and factors working cohesively. The critical measures of success of ILAB's portfolio in Mexico are aligned with the ILAB's TOsC for worker rights programs, which focuses on sustained change observed in available capital, leverage points,[27] and causal mechanisms, collectively contributing to a greater impact on labor rights (refer to Annex A. ILAB's Theory of Sustained Change).

To evaluate the impact of these initiatives, the evaluation team employed a system-level evaluation approach, incorporating participatory workshops and system mapping to develop the TOC for the ILAB portfolio in Mexico's automotive sector. This TOC, reflecting ILAB's TOsC, offers insights into the broader ecosystem's dynamics and the effectiveness of ILAB's portfolio in fostering lasting improvements for workers in Mexico's automotive sector. The visual representation of the developed TOC is provided in Annex B. Mexico Automotive Sector Theory of Change.

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[27] For a detailed definition of this systems-thinking term, please see this online glossary: Systems Thinking Glossary (systemsthinkingalliance.org)

2.6. STRENGTHENING ENFORCEMENT, COMPLIANCE, AND WORKER VOICE IN MEXICO'S AUTOMOTIVE SECTOR THROUGH TARGETED INITIATIVES

ILAB's interventions are designed to **enhance the enforcement of labor laws** to uphold labor rights, eliminate discrimination in the workplace, and ensure a safe and healthy environment for workers across the Mexican automotive sector. Notably, ILAB's portfolio is designed to serve as a catalyst for change by (1) improving the quality of labor inspections, (2) strengthening the coordination of enforcement institutions, and (3) preventing and addressing labor law violations. Complementary to enforcement, ILAB also focuses on **compliance with labor laws**, working to mitigate incidences of labor violations. ILAB's portfolio emphasizes (1) increasing awareness of existing labor laws and labor rights, (2) strengthening the capacity of key stakeholders to play an active role in labor reform, and (3) implementing labor mechanisms to protect and foster labor rights. Key to ILAB's actions is the **elevation of workers' voices** to exercise their rights. ILAB's portfolio includes strategies to strengthen the position of workers and their organizations by (1) enhancing understanding of labor law reform among workers and democratic worker organizations, and (2) building capacity for workers' organizing, representation, and advocacy.

In support of these efforts, ILAB has awarded multiple cooperative agreements aimed at improving the implementation of labor reform and enhancing working conditions in the automotive sector. To inform this systems evaluation, the evaluation team gathered insights from four sampled interventions. These include:

1. Improving Working Conditions in the Mexican Automotive Supply Chain (CALLE) project (December 2019 to March 2024);

2. Engaging Mexico's Auto Sector Employers in Labor Law Reform Implementation project (November 2020 to October 2024);

3. Engaging Workers and Civil Society to Strengthen Labor Law Enforcement project (September 2018 to September 2023); and,

4. Mexico Awareness Raising Project (MAP, January 2021 to June 2025).

In alignment with ILAB's strategic focus, these projects collectively worked to enhance labor law enforcement and ensure compliance in Mexico's automotive sector, aiming to safeguard workers' labor rights. These initiatives, which are not designed to be integrated or overlapping, address a broad spectrum of stakeholders, including the government, employers, workers, and unions. Each initiative serves a distinct function—ranging from providing technical assistance to the federal labor inspectorate, to fostering compliance among small and medium-sized automotive enterprises, to bolstering the capacity of workers and CSOs to engage effectively with labor law mechanisms—and they present a comprehensive approach to labor law implementation. A nationwide awareness campaign further complements these efforts by educating a wide range of stakeholders on the intricacies of Mexico's labor law reform. Together, these projects tackle the systemic challenges in the implementation of labor laws across Mexico, including but not limited to those in the automotive sector, thereby contributing to the implementation of the country's labor law reform.

3. EVALUATION RESULTS

In examining ILAB's initiatives in Mexico's automotive sector, this evaluation directly addresses the outlined evaluation questions and criteria through a systems lens. The findings are delineated into specific thematic categories that each shed light on a critical aspect of labor rights and the effectiveness—or areas for improvement—of ILAB's work.

The findings are grouped into the following thematic categories:

- Awareness and Understanding of Labor Laws and Rights
- Capacity Strengthening, Organization, and Advocacy
- Enforcement of Labor Laws and Addressing Labor Law Violations
- Promoting Compliance with Labor Laws
- Collaboration, Learning, and Adaptation (CLA)

Figure 2: Domain Linkages Key

These thematic categories reflect the main dimensions of labor rights applicable to this evaluation, as identified and confirmed by the key system actors who participated in the validation workshops. The involvement of these actors, who represent different sectors and perspectives within the labor system, especially the automotive sector, ensures that the categorization is comprehensive and relevant to the Mexican context.

Figure 3: Leverage Points Key
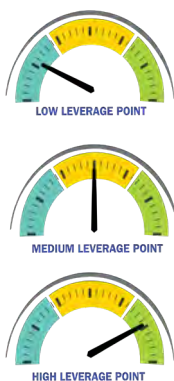
Additionally, **Resource Use** and **Diversity and Inclusion** stand out as themes that intersect with all areas of the evaluation, underscoring their critical role in long-term improvements in labor rights. Please see Annex I for the linkages between TOsC domains, Mexico TOC outputs, and thematic categories,

The report frequently mentions **leverage points**, which are specific elements within the labor system—such as procedures, policies, or practices—where targeted changes can significantly enhance labor rights. Identified as opportunities within the system, these leverage points range from existing structures[28] that projects actively engage with to potential areas for future intervention.[29] If this evaluation revealed that influencing a leverage point

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[28] For a detailed definition of this systems-thinking term, please see this online glossary: Systems Thinking Glossary (systemsthinkingalliance.org)

[29] These areas of opportunity were pinpointed by system actors during data collection and were further confirmed and enriched with secondary project reporting data and insights from DevTech's evaluation team specialists.

contributes to systemic change, it is recognized as an **emerging good practice.**[30]

The evaluation team categorized the leverage points that emerged from the data collection based on their impact potential: low-leverage points are expected to result in temporary or limited changes; medium leverage points have the potential to progressively lead to more significant changes, gradually building momentum for larger shifts; and, high-leverage points are capable of driving enduring, systemic transformations.[31] Long-term projects are more likely to reach these high-leverage points, potentially leading to policy shifts and influencing social norms, but they also come with increased costs and a risk of reliance on international funding.[32]

3.1. AWARENESS AND UNDERSTANDING OF LABOR LAWS AND RIGHTS

The Bureau of International Labor Affairs (ILAB) is making significant strides in improving worker rights in Mexico, leveraging targeted technical assistance to increase awareness and understanding of labor laws and rights. These initiatives are designed to equip workers, employers, government officials, and union leaders with the knowledge and tools necessary to effectively navigate and apply the new labor models introduced by recent reforms.

ILAB's systemic approach to cultivating a deep understanding of labor reforms and empowering communities is exemplified by several key projects. The Mexico Awareness Raising Project (MAP), for instance, plays a critical role in facilitating clear comprehension of labor reforms and cultivating a community prepared to capitalize on Mexico's evolving labor systems. Similarly, the Engaging Workers and Civil Society to Strengthen Labor Law Enforcement project bolsters the capacity of workers and CSOs to proactively identify and respond to labor law violations.

Additionally, the Engaging Mexico's Auto Sector Employers in Labor Law Reform Implementation project specifically targets the automotive sector. This initiative urges employers, particularly those within the supply chain (auto parts companies) rather than original equipment manufacturers (OEMs), to align with labor law reforms and promote work environments that foster productive industrial relations.

In evaluating the impact of these efforts, our survey—integral to this evaluation—reflects a tangible recognition of ILAB's role. With 72 percent of respondents acknowledging ILAB's assistance as moderately to highly effective in elevating labor law and rights awareness among key stakeholders and the general public and 70 percent stating having an enhanced understanding of labor law reform among workers and democratic organizations, the effectiveness of ILAB's interventions is clear. These insights not only demonstrate ILAB's influence in fostering informed labor practices but also highlight the enduring momentum for change it has catalyzed in Mexico.

3.1.1. ADVANCEMENTS IN AWARENESS AND KNOWLEDGE OF LABOR LAWS AND RIGHTS

A consensus among most system actors indicates that awareness of labor laws and union rights has improved. This progress is attributed to a combination of government dissemination efforts, independent unions, and CSOs. ILAB's targeted training initiatives are key to these

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[30] An **emerging good practice** is a process, practice, or system that has improved the performance and efficiency of the system in specific areas. Emerging good practices also include considerations that are recommended for future programming within similar situations.
[31] Leverage Points: Places to Intervene in a System – The Donella Meadows Project
[32] Meta-Evaluation Options Paper April 2023 (dol.gov)

advancements, notably the Solidarity Center's (SC) awareness-raising campaigns delivered through the SC Worker Project's and the POA MAP's innovative use of "influencers" and the

> **Educational Workshops and Trainings for Workers and Union Leaders**
> The MAP initiative successfully connected with 4,494 individuals, fostering stronger ties within the system to address labor rights concerns. These individuals now have a better understanding of how to claim their rights and fulfill their obligations. The project achieved this by holding public forums on the 2019 Labor Reform. Open to all, these forums provided attendees with valuable information about their rights under the new legislation. In addition, the project's social media awareness raising successfully reached over 36 million views. This broader outreach helped to spread awareness of the new labor reforms and empower a wider audience to understand their rights. The SC Worker Project directly trained 2,846 workers affiliated with independent unions to identify potential labor law violations within their workplaces. Following the training, 1,928 participants reported a significant improvement in their understanding of employee rights and the available resources for addressing potential violations.

social media campaign implemented under PADF's Auto Employer project.

These efforts have effectively broadened the understanding of labor laws and union rights among stakeholders within various workforce sectors. System actors in the automotive sector, such as workers, independent unions, worker centers, and employers, stand out as primary beneficiaries. According to a media outlet, for "workers in general [and] unions, the level of understanding has become more sophisticated."

However, the effectiveness of these initiatives varies, with impacts not uniformly felt across all links of the automotive supply chain and other USMCA priority sectors. "This is observed in the more dynamic and globalized sectors of the national economy; traditional sectors are very far behind," a stakeholder notes, highlighting the disparity in the reach of these initiatives. Echoing this sentiment, a labor union representative adds, "Despite the dissemination and despite the efforts that have been made, there are still sectors that do not even know that a labor reform exists and even less about its scope." This discrepancy underscores a pressing challenge and an opportunity to expand ILAB's interventions: ensuring that advancements in awareness and understanding are not confined to specific sectors but are universally extended across the entire workforce. Efforts like the SC's awareness-raising campaigns, including the First Aid videos and PADF's Auto Employers project's social media campaign, can be scaled up to target additional economic sectors, as the POA MAP already focuses on other sectors beyond the automotive sector.

> **Educational Outreach Through 'First Aid for Workers': Empowering Labor Rights Awareness and Action**
>
> The Solidarity Center (SC) developed the *First Aid for Workers* video series as part of its educational initiative to inform workers about their rights and the 2019 labor law reform. This series, which has reached 186,015 people with over 280,079 views, educates workers on how to identify rights violations and seek redress. The topics covered include:
> - Basic principles of freedom of association and the right to collective bargaining
> - Worker involvement in the collective bargaining process
> - Worker involvement in the CBA legitimation process
> - Sexual and workplace harassment
> - The USMCA's Rapid Response Mechanism (RRM)
>
> The SC also launched a website to support union democracy and authentic worker movements: https://democraciasindical.mx/

The need for "strengthening the dissemination of labor rights" and "more information distribution about rights" signals a recognition of gaps in current educational outreach efforts. Addressing these gaps is crucial for ensuring the relevance of ILAB's technical assistance to the diverse needs and circumstances of system actors, particularly within sectors like the automotive industry that are critical to Mexico's economic landscape. By tailoring educational outreach to meet the unique challenges and preferences of each sector and region, ILAB's initiatives would achieve a broader and more profound impact, ensuring that workers, regardless of their sector and region, gain a comprehensive understanding of their rights.

Leverage Points:

Educational Outreach (Delivery of Services) – *Medium Leverage Point*

To bridge outreach gaps, leverage digital platforms such as WhatsApp[33] and culturally appropriate communication channels like radio in areas without internet connectivity. This strategy enhances

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[33] WhatsApp could be highly effective for labor rights education in Mexico due to its widespread use. It can allow for the distribution of educational materials, facilitate interactive learning through group chats and live

accessibility and engagement of educational and awareness-raising initiatives. It broadens dissemination, significantly boosting the impact of labor rights education across diverse populations, thereby fostering more uniform and systemic understanding.

3.1.2. DEMAND FOR COMPREHENSIVE AND PRACTICAL TRAINING IN LABOR RIGHTS

Although the industry is building on its advancements in awareness and understanding, there is a pronounced demand for comprehensive and practical training in labor rights. This need emphasizes the critical step beyond merely knowing rights to understanding and being motivated to apply them in real-world situations. Stakeholders across the board—worker groups, unions, academia, U.S. government, some Mexican government entities, and implementers—highlight the necessity for training that bridges theoretical knowledge with practical application. Such training should integrate rights-based approaches, social inclusion, diversity, and legal frameworks into curricula for a comprehensive training experience.

The demand for training content and delivery to be straightforward, engaging, and reflective of the workforce's real-life experiences underscores an understanding gap. Modernizing training delivery through digital platforms and social media is identified as essential and aims to make training accessible to a wider range of workers, thus broadening the engagement and understanding of labor rights across diverse groups.

The gap between legal abstraction and practical implementation is significant. As one implementer notes, "Employers and workers are unsure of how to proceed. The law is one aspect, rights another, often seen as too abstract. Questions like 'What does non-interference in unions mean? How do I apply this practically?' illustrate the struggle with translating legal concepts into actionable practices."

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sessions, send updates and reminders, and gather participant feedback via polls. Its broad adoption across demographics makes it a valuable tool for potentially engaging diverse populations and ensuring sustained interaction.

Launching the Automotive Labor Reform Hub: A Central Resource for Updates and Insights in Mexico's Automotive Sector
PADF launched a dedicated website (reformalaboral-automotriz.mx) as a pivotal component of its communication strategy, offering timely updates, critical news, and upcoming activities related to labor reform in Mexico's automotive sector. The site serves as a comprehensive resource for stakeholders seeking information on the ongoing changes and developments within the industry.

An academic stakeholder reinforces this point, highlighting the importance of not only accessing information but understanding how to utilize rights and navigate organizational processes, especially when addressing rights violations: "The comprehension issue is critical, not just access to information, but explaining how they can exercise their rights, how to organize, and which agencies to approach, especially in cases of rights violations."

As ILAB continues its efforts to bolster worker rights in Mexico's automotive sector, the assistance provided to businesses, government, workers, and independent unions—through initiatives like the SC Worker Project, American Institutes for Research (AIR) Improving Working Conditions in the Mexican Automotive Supply Chain (CALLE) project, and PADF's Auto Employer project—shows potential to meet the industry's need for training that goes beyond theory and offers practical, hands-on experience.

Looking ahead, it will be crucial for ILAB to continue enhancing its training programs by incorporating practical, real-world applications and integrating digital learning tools where applicable. By adapting to the changing landscape of the automotive industry, ILAB would solidify its role as an influential force for transformative change, responding effectively to the industry's evolving requirements and priorities. This continuous improvement is essential to maintain the relevance and effectiveness of ILAB's technical assistance.

Leverage Points:

Adapt Training Methodologies (Delivery of Services) – *Medium Leverage Point*

Adapting training methodologies to include both in-person and digital learning environments enhances accessibility and engagement for a diverse workforce. This adaptation aims to make the delivery of educational services more relevant and engaging by reflecting real-life scenarios, and it directly supports the broader engagement of workers in their learning process.

Incentivize Training with Certification (Access to Services, Delivery of Services, Motivation/Mental Models) – *Low Leverage Point*

Issuing certificates to businesses, unions, and workers who complete labor rights training acknowledges their efforts and provides a tangible incentive for ongoing participation and engagement in labor rights education. This strategy enhances motivation and reinforces the value of continuous learning.

3.1.3. DIRECT WORKER TRAINING BEYOND UNION STRUCTURES

There is a growing consensus among worker groups and independent unions on the critical need to expand labor rights education, ensuring it reaches all workers directly. This expansion is especially crucial for female workers as it equips them with the practical tools necessary for

empowerment in the workplace. Such an inclusive educational approach is designed to go beyond union structures, engaging the entire workforce and enabling all workers to actively participate and assert their rights.

A labor union representative echoes the call for direct and practical training at all levels: "Freedom requires knowledge, and knowledge comes partly from theory, information, and dissemination. But the other part is practice, the experience that workers must be able to exercise. And this is where things are still very much in their infancy because knowledge does not trickle down to the levels we would like."

System actors have raised concerns about potential biases in training sessions led by employer protection unions, which may skew worker perception and understanding. For instance, workers and academics noted that employer protection unions sometimes spread misleading information to workers, such as suggesting that not legitimizing the Collective Bargaining Agreement (CBA) would lead to a loss of achieved benefits. This dissemination of incorrect information challenges the authenticity and integrity of labor rights education.
In light of these challenges, stakeholders advocate for training that is neutral—specifically addressing concerns related to trainings led by employer protection unions—and broadly accessible, clearly delineating workers' rights and the contract legitimization process. Such training must respect the existing organizational structure while supporting workers in their pursuit of education. Highlighting the need for change, stakeholders state that "a profound change demands base-level training, aimed directly at workers," and they point to the necessity of "unbiased and concrete training." These calls stress the importance of impartial and universally accessible education in the labor rights landscape.

Empowering Workers through Targeted Training
With the support of worker and labor centers, the SC project provided tailored comprehensive training on the substance of the labor reforms, including the right to legitimate CBAs through a secret ballot and processes for obtaining union representation rights at workplaces. **The training equipped 2,846 workers with the skills to identify violations of worker rights**, enhancing their understanding of new labor laws and their roles within these frameworks, including the workers' ability to detect and take collective action when faced with fraudulent CBA legitimation processes.

ILAB's role, in partnership with its implementers, is crucial for enhancing the delivery and accessibility of such training. By partnering with CSOs and utilizing independent outreach platforms—not affiliated with unions or political parties—ILAB has the capacity to significantly broaden the inclusivity and reach of labor rights outreach.[34] Developing and implementing training programs that move past conventional union structures ensures that all workers, including those not affiliated with unions and particularly female workers, have direct access to vital labor rights information.

Leverage Points:

> **Expand Education Reach through Collaborative Partnerships (Delivery of Services)** – *Medium Leverage Point*

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[34] ILAB could also consider including the CFCRL and local conciliation center websites.

Partnering with CSOs and utilizing independent digital platforms for outreach enhances the accessibility and inclusivity of labor rights training. This strategy ensures that the training reaches workers outside union structures, providing them with vital information on their rights and the means to advocate effectively.

Empowerment of Female Workers through Customized Training (Delivery of Services) – *Medium Leverage Point*

Training sessions tailored to address the unique challenges faced by female workers empower them with the necessary knowledge and tools for effective advocacy in their workplaces.

> **Emerging Good Practice:** The Gender Equality and Non-Discrimination in the Workplace workshop, implemented by PADF's Auto Employer project, has shown potential for enhancing program effectiveness in addressing gender issues. To further improve its impact, similar training would require additional tailoring to better address women's specific needs and ensure the incorporation of gender perspectives into structural changes. This includes not only increasing the representation of women in committees but also offering training that transforms attitudes toward women's participation in the workplace. Continuous refinement and expansion of similar initiatives are crucial to ensure the ongoing development of a truly equitable and inclusive work environment. Therefore, ILAB and its partners need to continuously assess these needs and adapt their strategies and trainings to remain impactful.

3.1.4. IMPROVED PERCEPTION AND TRUST IN LABOR INSTITUTIONS

The evaluation revealed **a shift in workers' perceptions of crucial labor institutions** such as the Federal Center for Conciliation and Labor Registration (CFCRL), indicating an evolving sense of trust. Notably, the CFCRL's active role and enhanced visibility, particularly in the Center's participation in resolving labor disputes, have been instrumental in this development. A union leader highlights the impact, stating, "The presence of the CFCRL in the consultation processes with the base provides certainty."

Additionally, a government representative emphasized the transformative role of new institutional frameworks: "Thanks to this reform and institutions like the CFCRL, which oversees new union registrations and voting alongside local authorities, the presence of these new players is democratizing union life in general and specifically within the automotive sector."

An implementer acknowledges the early stages of a significant cultural shift due to increased transparency in collective contracts and union decisions: "The mere existence of a platform listing all collective contracts in Mexico signifies a cultural shift. Although it's early to judge the full impact, even the media buzz and the business sector's reaction to this new transparency indicate significant change."

> " The staff is being trained in such a way that it gives certainty and security to the workers who come to us for conciliation. And on the topic of contracts, there's clearly a universe of many of these contracts that workers didn't even know existed. These were contracts held only between union leaders and employers and were not made known to all workers…. We can now guarantee workers that they at least know their working conditions and rights…. Without a doubt, it has a strong impact. "
>
> – *KII, Government of Mexico*

Yet, trust in these institutions remains variable among worker organizations and labor unions, affected by regional differences in the application of labor policies and practices and direct interactions with the government. The confusion over the specific roles and responsibilities of these labor institutions, coupled with concerns over CFCRL's operational inconsistencies and unclear strategic direction, poses challenges in building trust.[35] An academic stakeholder clarifies, "The reform has improved through the center's activities, yet there is still a need to strengthen oversight capacity and depend on continued support from the United States to enhance internal processes."

This nuanced scenario of building trust within labor institutions underscores the complexity of fostering reliable systems. Trust gradually solidifies as workers acquire knowledge and witness the institutions' commitment to transparency and fairness. "Trust will grow as the institutions function properly," a labor stakeholder observes, indicating that the pathway to building trust is contingent upon the effectiveness of these institutions.

The enhancements in **service delivery** by labor institutions, particularly the CFCRL, supported by ILAB, exemplify how boosting an institution's organizational capacity contributes to a virtuous cycle of improvement. This feedback loop[36]—where improved services lead to increased trust and, in turn, boost demand and contribute **to the expanded utilization of these improved**

Figure 4. Service Delivery Feedback Loop

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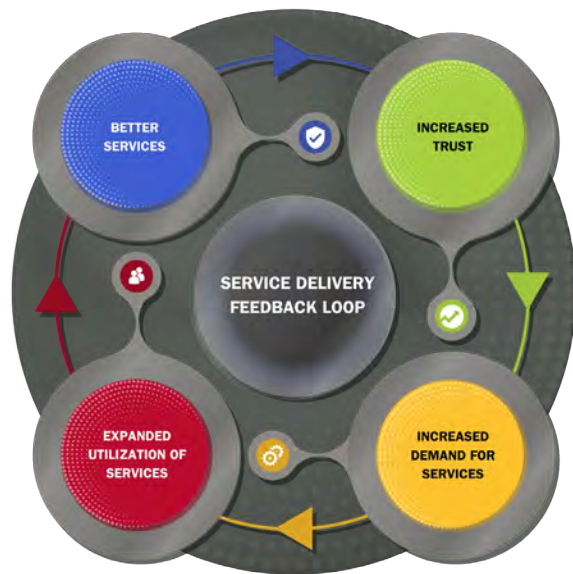
[35] Some identified challenges include a shortage of verification personnel, inadequacies in the training process, and a lack of clear criteria for decision-making. For instance, there has been inconsistency in the criteria applied for validating votes, such as the specific number of votes required to approve contract renewals or other labor agreements. Additionally, issues related to the professionalization of personnel and the need for better salaries were highlighted. As a newer institution, these challenges in the federal center are expected as it continues to develop and refine its processes.

[36] For a detailed definition of this systems-thinking term, please see this online glossary: Systems Thinking Glossary (systemsthinkingalliance.org)

services—illustrates the positive impact of ILAB's technical assistance. **Such advancements have cultivated stronger relationships and interactions among workers and governmental entities**, leading to a more collaborative labor rights environment and signaling a hopeful trajectory for future advancements in the Mexican automotive sector and beyond.

Leverage Points:

Clarify Roles in Awareness Raising Initiatives (Delivery of Services) – *Medium Leverage Point*

Building trust and credibility in new labor institutions hinges on clear explanations of their specific roles and responsibilities. This approach minimizes confusion and aligns stakeholder expectations. Practical examples woven into awareness initiatives can effectively illustrate how these institutions function within the broader labor law system. This, in turn, empowers stakeholders to develop a deeper understanding of labor law reform and its impact.

Optimize Policy and Process (Behaviors and Practices) – *High Leverage Point*

Conducting a systematic review of current policies and processes within labor institutions, such as labor courts,[37] is essential for identifying and diminishing inefficiencies, reducing bottlenecks, and ensuring that labor disputes are handled efficiently and fairly.

Emerging Good Practice: The collaboration between the ILAB-funded Strengthening Government Labor Law Enforcement (SGLLE) Project and the CFCRL in developing and refining policies has markedly improved the perception of labor institutions and enhanced the overall functionality of the labor ecosystem. This partnership has resulted in significant advancements in policy and process management within the CFCRL. To build on these improvements and increase overall effectiveness, ILAB must ensure that all CFCRL staff are thoroughly acquainted with and trained in these new policies. Effective training is essential to prevent operational inconsistencies and boost efficiency, making this practice a key recommendation for similar settings.

3.1.5. BUSINESS UNDERSTANDING OF LABOR REFORM

ILAB's technical assistance has played a significant role in advancing businesses' understanding of labor reform, emphasizing the critical need for companies, particularly within human resources departments, to familiarize themselves with new compliance processes and mechanisms. As demonstrated by the technical assistance provided through PADF's Auto Employer project, **there has been a shift in mindsets among some businesses to recognize their role as vital stakeholders in labor reform**, alongside authorities and independent unions, creating a workplace where rights are recognized and upheld. Based on the projects' performance monitoring data, the combined figure of 199 individual actors within a system that has adopted behaviors associated with improved workers' rights signifies significant progress in fostering improved worker rights practices. ILAB's training programs equip participants with knowledge and tools, leading to demonstrably better practices. This impact was seen both in

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[37] In 2023, ILAB funded the project "Towards Effective Courts and Coordinated Labor Justice" to support independent state labor courts in Mexico; Towards Effective Courts and Coordinated Labor Justice | U.S. Department of Labor (dol.gov)

companies developing customized compliance plans (PADF's Auto Employers project) and in government inspectors making improved decisions during inspections (AIR CALLE). The PADF project's data indicates that 135 employers who registered their participation and were assessed through pre-post surveys have demonstrated improved knowledge and subsequently developed plans tailored to address specific labor law changes within the covered geographic area. [38]

A business chamber representative notes the transformation brought about by this initiative:

Enhancing Business Understanding of Labor Reform
PADF's Auto Employer project promoted trainings and the professionalization of human resources departments and other areas within companies responsible for implementing labor reform (such as labor relations areas) through the Diploma Course offered by Universidad Iberoamericana. Labor experts from Mexico's three most important private-sector associations—the Coordinating Business Council (CCE), the Confederation of Industrial Chambers of the United Mexican States (CONCAMIN), and the Employers' Confederation of the Mexican Republic (COPARMEX)—provided advice and feedback for the certification curriculum (TPR, October 2021).

> Initially, when we began working with PADF Auto Employer project, two aspects were highlighted. One was the crucial understanding of the scope of these labor laws—comprehending what labor reform entails. This meant discussing what legitimization is, what a collective contract is, how to legitimize it within a company, and, importantly, clarifying that companies could not interfere in the legitimization process of a collective contract. Understanding these aspects, as well as the functioning of the Rapid Response Labor Mechanism (RRM), was necessary to prepare companies for the operational elements of the mechanism.
>
> – *KII, Business Chamber; KII, Government of Mexico*

Yet, independent unions, worker centers, and academia highlight ongoing challenges in applying theoretical knowledge of labor reforms to genuinely respect workers' rights. Stakeholders note the prevalent attitude among many businesses is one of "knowledge without the will to apply it," indicating a need for businesses to fully apply these labor reforms.

Stakeholders, particularly independent unions, implementers, and academia, express concerns about some businesses' reluctance to abandon entrenched practices and fully adopt new labor standards. Successes in advancing workers' rights are often attributed to enforcement mechanisms like the RRM rather than a genuine commitment to the principles of reform. This hesitation, along with skepticism toward independent unions, indicates the limited impact of the reforms and ILAB's assistance on a broad scale of businesses, suggesting an overarching need for profound and systemic attitude shifts toward labor reforms. Furthermore, the knowledge gap is particularly

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[38] Source: ILAB's consolidated indicators dataset.

noticeable among small and medium-sized enterprises (SMEs)[39] and middle management, emphasizing the critical need for focused efforts to bridge this disparity.

In light of ILAB's interventions, there is visible, though limited, progress in businesses' comprehension of labor reforms. **ILAB's technical support is not only moving toward its intended outcomes but is also catalyzing a momentum for transformative change.** By encouraging shifts in mental models[40] and motivating a select group of businesses to align with current labor standards and best practices, ILAB is demonstrating effective and impactful strategies. This growing momentum is crucial as ILAB continues to cultivate a culture of advanced labor understanding and compliance. Expanding this effort to include a broader array of businesses, particularly those of varying sizes and with substantial Mexican capital, is essential to extend the reach and impact of these labor reforms.

Leverage Points:

Cultivate a Culture of Compliance through Demonstrable Success Stories (Motivation/Mental Models) – *Medium Leverage Point*

Promote the adoption of labor reforms by highlighting positive case studies of businesses that have successfully implemented these reforms. Showcasing these success stories inspires other businesses and serves as a model for integrating principles of labor reform such as transparency, accountability, and respect for workers' rights.

Engage and Empower Business Leaders (Human Capacity) – *Medium Leverage Point*

Foster active participation in labor reform by identifying and supporting champions within the business community. These leaders advocate for and demonstrate the benefits of labor reforms, encouraging their peers to adopt similar practices. By sharing their success stories and effective strategies, these champions significantly amplify the impact of labor reforms across the business sector.

3.1.6. LIMITED UNDERSTANDING OF THE LABOR INSPECTION ROLE

Labor inspections are essential for upholding labor rights within the Mexican workforce, yet a significant comprehension gap exists among workers and unions about their role and impact. Workers understandably expect these inspections to directly remediate violations. However, the process is more nuanced: the law allows for punitive measures such as fines for non-compliance, with subsequent follow-ups for repeat offenses, where workers can seek redress. "Labor inspection is frequently perceived as a bureaucratic tool than a worker's safeguard,"

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[39] **MIPYMES Definition and Stratification**: Micro, small, and medium enterprises (MIPYMES) are legally established businesses classified according to a stratification system agreed upon by the Secretariat in coordination with the Ministry of Finance and Public Credit. The classification is based on the number of employees, segmented as follows: Micro: Industry, Commerce, and Services sectors with 0–10 employees; Small: Industry and Services sectors with 11–50 employees and Commerce sector with 11–30 employees; Medium: Industry sector with 51–250 employees, Commerce sector with 31–100 employees, and Services sector with 51–100 employees. Source: Ley para el Desarrollo de la Competitividad de la Micro, Pequeña y Mediana Empresa (diputados.gob.mx)

[40] For a detailed definition of this systems-thinking term, please see this online glossary: Systems Thinking Glossary (systemsthinkingalliance.org)

workers and independent unions point out, highlighting a gap between the law's provisions and the workers' experiences that these do not effectively correct infringements.

The frequency and depth of inspections are often insufficient, reinforcing the belief, especially in contexts dominated by employer protection unions, that the inspection process favors employers. This undermines the potential of inspections to serve as a robust defense mechanism for workers. "The full effects and extent of labor inspection remain unclear to many," suggest unions and worker groups, emphasizing the need for better understanding and communication of these processes. They also suggest, "Inspections are controlled by the company, and when the union is employer-friendly, it does not have positive effects for workers."

To enhance the role and efficiency of labor inspections, the industry must strengthen the relationships between inspectors, workers, businesses, and unions. Stakeholders from regions like Guanajuato state, "Improving the relationship with key actors and the importance of involvement in labor inspection is essential." This highlights the necessity for collaboration in realizing the potential of labor inspections as an effective worker defense mechanism.

Leverage Points:

Strengthen Collaborative Stakeholder Relationships (Linkages/Networks) – *Medium Leverage Point*

Strengthen partnerships between labor authorities, businesses, unions, and workers through joint workshops and training sessions. Leveraging these relationships enhances the practical understanding of labor inspections' roles and responsibilities, encouraging collaborative solutions and shared responsibilities in the labor rights framework.

3.2. CAPACITY STRENGTHENING, ORGANIZATION, AND ADVOCACY

ILAB is advancing labor rights in Mexico through targeted technical assistance designed to enhance stakeholder capacities for meaningful engagement with labor reforms. This approach is exemplified through several key initiatives. Focusing on empowering workers and civil society to proactively engage with governmental and corporate entities, the SC Worker Project enhances the ability of these groups to identify, articulate, and act upon labor law violations. This initiative supports workers in becoming vigilant advocates for their rights, emphasizing the importance of autonomy and proactive legal engagement.

On the employer side, ILAB aims to align automotive sector employers with the demands of new labor laws, particularly emphasizing the needs of SMEs within the supply chain. By increasing employer capacity to understand and implement labor reforms, this effort fosters a culture of compliance and dialogue that significantly enhances industrial relations. This strategic approach is exemplified in PADF's Auto Employer project, which actively supports employers in adopting new compliance policies and preventive measures against labor law violations.

> **Strengthening Capacity to Address Labor Rights Issues**
> ILAB's initiatives focus on empowering various actors within the system to tackle labor rights issues. Project data demonstrates that these efforts have positively impacted a total of 3,221 individuals. The projects themselves varied in their focus: some trained government officials on relevant procedures and frameworks, while others targeted workers, employers, and unions to improve their understanding of labor reforms and dispute resolution. Additionally, some activities aimed to empower worker organizations through strategic planning and representation skills. Furthermore, with ILAB's assistance, specifically PADF, 120 organizations have strengthened their knowledge to prevent labor law violations in accordance with the new labor law.

Reflecting on the effectiveness of these efforts, a remarkable 79 percent of survey respondents state that ILAB's worker-centered project interventions, primarily led by the SC, have been moderately to highly effective in bolstering capacities related to worker organization, representation, and advocacy. The same proportion acknowledges the significant role ILAB has played in strengthening the active participation of key actors in the labor reform process. Such positive feedback from stakeholders highlights the progress made in empowering the necessary skills and involvement to navigate and support the comprehensive labor reform landscape, setting the stage for sustained, systemic progress in the protection of labor rights.

3.2.1   DEVELOPMENT OF INDEPENDENT UNIONS

The evolution of democratic, independent unions, spurred by labor reform and supported by ILAB's technical assistance, has marked a significant phase in the labor reform movement in Mexico, bringing about a notable increase in transparency and representation. Recognized by most system actors, this transition toward independent unionism plays a pivotal role in dispelling longstanding apprehensions and stimulating widespread participation—elements fundamental to advancing labor rights and reforms. Despite notable progress, the advancement toward fully realized independent unionism is met with both promising opportunities and significant challenges. The current landscape, characterized by the relatively small number of independent unions and coupled with ongoing discussions regarding their sustainability, highlights the imperative for targeted efforts to nurture their growth and amplify their impact within the framework of labor reform.

A union representative sheds light on the essential yet complex nature of fostering self-organization among workers: "We always think about the capability to organize, represent, and defend workers as if workers already know what to do, when, and how. Often, workers believe an external organization will come to solve their problems, on top of not knowing their rights or how to organize themselves. This lack of capacity for self-organization necessitates legal counsel and more leadership. The ability of workers themselves to organize at any workplace is crucial for progress, yet it's the most challenging for them to initiate. Why? Because there are dismissals, reprisals, [and] blacklisting, making it significantly more difficult in a workplace where you can be easily targeted and retaliated against." Additional insights from stakeholders echo the urgency for more education, training, and information to solidify these outcomes: "While their existence is acknowledged, the presence of independent unions is marginal in the critical context of the reform. It will take years to assess their representativeness," and "The continuity of these new independent unions is still uncertain."

> **Collective Labor Contracts (CCTs) Legitimization**
> The Secretariat of Labor and Social Welfare (STPS) estimates that there were 550,000 CCTs, of which 85 percent were protective contracts in 2019. After a revision conducted in 2022, this number was reduced to 139,000. According to data from the CFCRL, there were only 30,529 legitimized CCTs as of the beginning of April 2024. While it is difficult to estimate the number of "democratic" unions in comparison to "protective" unions, the fact that only around 22 percent of the CCTs have been legitimized might indicate that the number of protective unions is still very high. (Bloomberg En Linea, 2023; El Economista, 2023)

> **The Struggle for Union Representation in Piedras Negras, Coahuila**
> The labor conflict at VU Manufacturas in Piedras Negras, Coahuila, reflects the current wave of labor reform in Mexico. Headquartered in Troy, Michigan, VU Manufacturas produced automotive interior parts for brands like Toyota, Honda, and Chrysler. Initially claimed to have good working conditions, a change in management led to widespread worker dissatisfaction.
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> In late 2021, the Committee Fronterizo de Obreras y Obreros (CFO) launched a campaign to raise worker awareness. The company aligned with the Confederation of Mexican Workers (CTM) to weaken the independent union movement, Liga Sindical Obrera Mexicana (LSOM), leading to intimidation and internal interference.
>
> Workers, unhappy with unfair wages, unjustified layoffs, and poor conditions, organized under LSOM. Despite facing threats and dismissals, they voted for LSOM representation in August 2022. However, VU Manufacturas refused to negotiate a new collective bargaining agreement, leading to further disputes and an appeal to the Rapid Response Mechanism (RRM) under the USMCA in January 2023.
>
> Ultimately, VU Manufacturas ceased operations in Mexico, dismantling the plant and leaving workers unemployed. Many former employees have struggled to find new jobs due to industry blacklisting. **This case highlights the challenges and complexities of labor reform and union representation in Mexico's evolving labor landscape.**

Table 3: Opportunities, Challenges, and Suggestions

Opportunities for Improvement	Challenges or Risks to Opportunities for Enhancement	Suggestions to Mitigate Challenges
Operational Learning for Independent Unions: Support independent unions as they adopt democratic practices, ensuring they have the necessary tools and understanding to operate effectively within the reformed labor environment. **Democratization of Employer Protection Unions:** Support the democratization of existing protectionist unions by identifying and training new leadership in independent union processes. This includes providing targeted training on democratic principles, effective leadership, and transparent governance. Conduct an assessment to determine which unions are open to collaboration and reform, developing a strategy to engage with them productively.[41]	**Barriers to Independent Union Affiliations:** Address the challenges posed by several employers and employer protection unions that may obstruct the formation of independent unions and democratic union life. Work to mitigate the administrative and procedural barriers that independent unions face, potentially posed by oversight bodies, to ensure a smoother affiliation process.	**Enhance Enforcement and Oversight of Labor Rights: Strengthen Specialized Labor Courts:** Boost the capacity and resources of labor courts to handle cases related to union disputes and anti-democratic practices efficiently and impartially. This step ensures that labor disputes are resolved with fairness and justice, reinforcing the legal framework supporting labor rights. **Regular Inspections:** Increase the frequency and thoroughness of inspections by labor inspectors to ensure compliance with labor laws regarding union activities. Train inspectors specifically on issues related to union freedoms and democratic practices to improve the effectiveness of their oversight.[42] **Whistleblower Protections:** Enhance and enforce robust protections for employees who report anti-union activities or other labor law violations. Providing strong whistleblower protections encourages a culture of transparency and accountability, allowing workers to report injustices without fear of retaliation, job loss, or other negative consequences.

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[41] Currently, none of the implementers have the capability to perform such an assessment without jeopardizing the progress already made. Therefore, a targeted assessment should be directed at generating a strategy to identify which protection unions could be approached, how to engage with them, and the specific methods to foster democratic and transparent practices.

[42] The AIR CALLE project has trained labor inspectors via the certificate diploma on issues related to union freedom and democratic practices, and this information is being put into practice by trainees.

Opportunities for Improvement	Challenges or Risks to Opportunities for Enhancement	Suggestions to Mitigate Challenges
		Creating a Business Case for Independent Unionism: Help businesses understand that embracing independent unions can lead to a more stable and productive workforce. Highlight case studies where collaborative relationships between employers and independent unions have led to business success. Advocate for a cultural shift within the business community, emphasizing ethical business practices and long-term sustainability over short-term gains from undemocratic labor practices.
Forming Alliances with Like-Minded Unions: Encourage partnerships among unions sharing democratic principles to bolster democratic practices.	**Entrenched Structures:** Confront the longstanding dynamics between companies and established unions that hinder the organization and mobilization of workers, a critical element for fostering a free and fair union landscape.	**Educational Campaigns and Stakeholder Engagement:** Launch comprehensive educational campaigns aimed at both employers and workers to highlight the benefits of independent unions, such as improved worker satisfaction, better wages, better workplace conditions, and enhanced company reputation. Facilitate dialogues and workshops that bring together business leaders, employer protection union representatives, government, and advocates of independent unions to discuss and reconcile differing perspectives.
Fostering Accountability and Reporting: Amplify transparency and regular financial reporting among unions. Given that only 4.2% of unions currently engage in semi-annual financial disclosures, increasing such practices is crucial	**Openness of Businesses to Independent Unionism:** Advocate for business leaders to embrace independent unions, recognizing them as equal partners in labor discussions and negotiations.	**Training in Accountability and Reporting:** ILAB/USG implementers should provide trainings that emphasize the importance of democratic practices, accountability, and transparency. This approach would significantly contribute to

Opportunities for Improvement	Challenges or Risks to Opportunities for Enhancement	Suggestions to Mitigate Challenges
for building trust and credibility within the union movement.[43]		fostering a more trustworthy and transparent union environment.

The complex landscape of labor reform in Mexico highlights the critical need for responsive initiatives. ILAB's efforts, particularly through the SC Worker Project, have proven effective in improving service delivery and fostering a labor environment that respects the rights of all stakeholders. It also highlights the ongoing need for capacity building, advocacy, and the removal of barriers to independent union affiliations. Maintaining a sustained focus on these areas is crucial to enhancing the effectiveness and expanding the impact of labor reform initiatives across Mexico. It ensures the continuation of momentum toward a more equitable and participatory labor sector.

Worker Education and Outreach
SC regularly met with emerging leaders from different facilities to support ongoing organizing activities at the plants, providing technical, legal, and strategic support to increase workers' organizing and communication skills. As a result of this tailored accompaniment, workers improved their capacity to organize and implement outreach strategies, built their interest in independent unions through direct communication, inoculated themselves from negative messaging regarding unions, and promoted new independent unions.

Leverage Points:

Cultivate a Modern Understanding of Unionism (Motivation/Mental Models) – *High Leverage Point*

Leverage targeted educational campaigns and dialogues to foster a culture shift among workers and employers toward a modern understanding of unionism. This approach challenges outdated views and highlights the benefits of independent union practices, emphasizing transparency, accountability, representation, and collaborative problem-solving.

Enhance Transparency and Accountability in Union Activities (Behaviors and Practices) – *Medium Leverage Point*

Collaborate with unions to implement robust accountability mechanisms, such as regular and transparent financial reporting, to build trust within the union membership and boost the unions' credibility with employers, workers, and the public. Partnering with independent watchdog organizations adds an additional layer of oversight, ensuring that union activities are conducted transparently and responsibly.

Promoting Success Stories of Independent Unionism (Motivation/Mental Models) – *Medium Leverage Point*

Leverage media, including labor authorities, media outlets, social platforms, and industry events to spotlight successful examples of independent unions and their significant contributions to labor relations and workplace democracy. Highlighting the tangible benefits these unions have brought to their members serves as a powerful motivator for workers considering unionization and could help shift the broader narrative toward a positive view of union participation in labor reform.

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[43] Source: Apenas 4.2% de sindicatos rinde cuentas: CFCRL (eleconomista.com.mx)

3.2.2 ADVANCEMENTS IN UNION ORGANIZATION AND REPRESENTATION

Implementers, unions, and academia collectively recognize significant advancements in the organizing and representation capabilities of independent unions, significantly supported by ILAB's technical assistance through SC's project. This assistance has paved the way for collective bargaining successes, leading to wage increases and enhanced benefits for workers, illustrating **the profound impact of ILAB's efforts in amplifying unions' negotiating power and championing worker rights.**

A noticeable shift toward more inclusive labor relations is driven by the proactive engagement of certain employers with independent unions. This positive movement, spearheaded by the efforts of independent unions and underpinned by mechanisms like the RRM, signifies a departure from traditional labor structures toward a system that fosters open dialogue and negotiations, leveling the playing field between businesses and workers.

> **Inauguration of Mexico's First Academic Labor Center and International Forum on Labor Reform**
> The first academic labor center in the history of Mexico was launched on August 24–26, 2022, via a cooperation between the SC, the Universidad Autónoma de Querétaro (Autonomous University of Querétaro, UAQ), and the UCLA Labor Center. Over 130 participants from more than 50 organizations attended the international forum, "Three Years on from the Reforms: The Future of the Mexican Labor Movement," which was held at the UAQ Labor Center. Source: SC TPR April 1, 2022–September 30, 2022

> **Goodyear-San Luis Potosí: The Struggle for Fair Representation**
> Goodyear established its plant in San Luis Potosí less than a decade ago. Initially, Goodyear signed a CBA with the Confederation of Mexican Workers (CTM) that offered minimal labor rights. Workers soon realized the benefits they were missing compared to those at Continental Tire, another tire company in San Luis Potosí operating under a more favorable sector-wide agreement.
>
> Discontent grew, leading workers to organize for better conditions. Unions from Continental Tire and other local companies founded La Casa Obrera Potosina to support these efforts. With guidance from La Casa Obrera and the SC, Goodyear workers launched a campaign for union freedom and the implementation of **the sector-wide agreement.**
>
> In April 2023, during a union legitimacy vote, CTM members allegedly stole a ballot box, prompting the Ministry of Labor to condemn the fraud and promise a re-vote. Under enhanced oversight, workers overwhelmingly rejected the CTM contract, with 727 votes against and 140 in favor. Following this, the Independent Union of Goodyear Workers (LSOM) won a subsequent vote for union representation, securing 899 votes to CTM's 30. In August 2023, labor authorities declared LSOM the representative for the sector-wide agreement at Goodyear-San Luis Potosí.
>
> This struggle highlights not only the ongoing challenges but also the significant victories achieved through the agency and determination of organized workers, demonstrating their crucial role in securing genuine labor representation and fair working conditions in Mexico.

Despite these positive developments, challenges persist. Observations from workers indicate that wage and benefit improvements through independent unions often do not significantly differ from the broader economic trends. The landscape continues to be dominated by traditional union models—which still hold most collective contracts—limiting the prevalence of transparent and equitable negotiations and worker benefits. Resistance from certain corporate cultures toward fully engaging with new and independent unions points to a need for a systemic shift in attitudes toward labor reforms,[44] ensuring the broader workforce reaps the benefits of union advancements.

According to stakeholders in academia, "A key aspect is the ratification of Collective Labor Agreements, ensuring workers' access to and understanding of contracts covering their employment. This ratification is a transition pillar, empowering workers as collective actors to make informed decisions. Ending corporate unionism, which operates without worker consent and restricts access to collective contracts, is essential. Enhancing the capacity of independent unions is crucial."

Barriers to adopting and implementing freedom of association and collective bargaining broadly include deep-seated cultural, historical, and mental models within employer protection unions, employers, and workers, which hinder the democratization of unions. Such resistance, especially noticeable in northern border regions, hinders genuine transformation, with many corporations and employer protection unions clinging to corporatist behaviors under a democratic facade. Moreover, independent unions face targeted violence and employer retaliation, including dismissals and blacklisting, emphasizing the **urgency to change behaviors and practices** and address systemic barriers to union democratization and modernization. Achieving these transformative changes typically requires a medium- to long-term commitment, with initiatives spanning 3–5 years proving effective in altering behaviors and motivations.[45]

> " The existence of significant labor repression and violence against outspoken workers remains a problem…. When a union begins to form and fight for contract ownership, for example, mistakes can lead to worker dismissals.
> – *FGD, Independent Union Leader*

The importance of legal advice and comprehensive worker protections is emphasized to safeguard the right to organize and ensure the effectiveness of initiatives like the RRM in promoting fair labor practices. This is further supported by the proactive involvement of government and state institutions, notably the CFCRL, Labor Courts, and STPS, which is vital in

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44 Specifically, there is a prevalent reluctance to offer wages and benefits beyond inflation rates, driven by a desire and necessity to maintain corporate control and maximize profits and retain competitiveness. Some company leaders understand the reforms but use union negotiations as a pretext to avoid higher costs, often employing labor lawyers with minimal negotiation intent. Effective engagement requires changing the mindset at the management level, recognizing that constructive negotiations can benefit all parties without resorting to intimidation or confrontation. This shift in consciousness is critical for long-term improvements and ensuring that the broader workforce benefits from union advancements. However, a deeper assessment is necessary to determine the most appropriate approach for fostering this change.

45 Meta-Evaluation Options Paper April 2023 (dol.gov)

providing robust protections to workers aiming to form or join autonomous unions and overcome the challenges faced in developing a more democratic and participatory labor sector.

Leverage Points:

Enhance Democratic Access and Participation (Access to Services) –
Medium Leverage Point

Leverage technological tools, such as user-friendly digital platforms, alongside accessible resources such as legal hotlines, to bolster democratic engagement across union ranks. This approach improves access to legal support and training on democratic governance for members, with a focus on reaching those in underserved regions.

Optimize Union Service Delivery for Democratic Engagement (Delivery of Services) – *Medium Leverage Point*

Enhance the delivery of union services to better facilitate democratic engagement among members. This includes streamlining processes for inclusive decision-making and providing robust support to empower members to actively participate in union governance. These improvements promote greater involvement and responsiveness, transforming the union structure into a more democratic, functional, and member-focused organization.

Organizational Support for Worker Movements (Delivery of Services) –
High Leverage Point

Advise independent unions on their democratization, growth, development, internal organization, and sustainability, ensuring they have the necessary tools to operate effectively within the reformed labor environment.

3.2.3 CAPACITY DISPARITIES BETWEEN LARGE AND SMALL ENTERPRISES IN THE MEXICAN AUTOMOTIVE INDUSTRY

The Mexican automotive industry showcases a pronounced disparity in the understanding and capacity to apply labor laws between large enterprises, such as OEMs backed by international investment, and smaller firms, particularly within the auto parts sector.

Employers from SMEs often grapple with limited resources and a lack of comprehensive understanding of the legal framework and workers' rights. This limited understanding and capacity negatively impact their ability to focus on human resources and labor law reform implementation, leading to a higher risk of regulatory non-compliance. In contrast, larger companies generally maintain better-established systems and adherence to sector regulations. A worker organization pointedly states, "Business firms with international ties have adopted more changes. Those wholly Mexican, in general, tend to resist by violating the law," underlining some local enterprises' reluctance toward legal compliance. Consequently, disparities in wages, working hours, and respect for workers' rights across the supply chain are evident, with workers in the auto parts sector experiencing conditions markedly less favorable than those in OEMs.

Regional variations further complicate this scenario, suggesting that the situation cannot be uniformly generalized. Access to resources does not automatically guarantee compliance with new regulations, as evidenced by some larger companies' lack of motivation to fully adapt and respect labor rights. Despite having established labor policies and protocols, genuine awareness and adherence within these organizations are often limited to a select few individuals. In contrast, some SMEs show a proactive commitment to enhancing labor practices by engaging with workers' rights organizations.

PADF's Auto Employer project, with its original focus on empowering SMEs, illustrates **ILAB's responsiveness to the complexities and dynamics of the sector when designing this intervention.** While the full impact of these efforts is yet to be realized, most interviewed stakeholders agree on the pressing need for targeted interventions. Such efforts are crucial to **enhance the human capacity of employers**, enabling them to bridge existing knowledge, capacity, and resource gaps, and foster a widespread culture of compliance across businesses of all sizes, placing special focus on the unique challenges faced by smaller enterprises.

> **Highlight: Engaging Mexico's Auto Sector Employers in Labor Law Reform Implementation**
>
> Recognizing the dynamics within the different actors, ILAB's intervention through PADF trained employers on their new roles and responsibilities regarding freedom of association, collective bargaining, and remediation mechanisms. All trainings that touch on unions have stressed the principles of employer neutrality in the democratic process of union selection.
>
> According to the TPR from October 2023, this initiative reached 752 businesses within San Luis Potosí, Guanajuato, and Estado de México. When including automotive sector businesses from the other 13 states, PADF reached a total of 1,726 businesses with at least one training or webinar. Although direct causality cannot be attributed, PADF reports (TPR March 2023) that there have been positive developments within some of the companies they worked with, such as salary increases that range from 8.8 to 26 percent and even a small reduction in working hours in some cases. Additionally, as of the October 2023 TPR, PADF reported that 70 percent of businesses that participated in information sessions, trainings, and technical assistance had legitimized their CBA, in comparison with the estimated 47 percent of auto sector businesses in Mexico.

Leverage Points:

Customize Support Initiatives for SMEs (Human Capacity) – *Medium Leverage Point*

Leverage educational and support services specifically designed for SMEs to enhance their capacity to understand and apply labor laws effectively. For example, develop training programs tailored to different roles within SMEs, from human resources to management teams. These programs should focus on practical aspects of implementing labor reforms, such as handling union negotiations, managing grievances, and adhering to new compliance standards.

Emerging Good Practice: The "Engaging Mexico's Auto Sector Employers in Labor Law Reform Implementation" project was designed to empower SMEs through tailored educational and support services aimed at their specific needs. While the full impact of these efforts is yet to be realized, the

initiative represents a proactive approach to enhancing the human capacity of employers in the automotive and auto parts sectors.

Local Authority Engagement (Delivery of Services) – *Medium Leverage Point*

Mobilize local authorities to spearhead initiatives that tackle regional disparities in labor law compliance. Leverage the unique position of local governments to provide SMEs with tailored tools and knowledge, ensuring a deeper penetration of labor law understanding and adherence at the regional level.

Emerging Good Practice: Supply Chain Accountability in Labor Practices – Utilizing the influence of large assemblers to enforce labor standards among suppliers exemplifies a strategic approach to leveraging supply chain dynamics for labor compliance. This initiative, spearheaded by SC, promotes a culture of compliance and improved labor practices industry-wide. It illustrates the importance of targeted interventions that encourage large corporations to play a pivotal role in upholding labor rights throughout their supply chains, setting a precedent for accountability and ethical business practices in the sector.

3.2.4 FOCUS ON GENDER EQUITY IN UNION PARTICIPATION

Most system stakeholders agree that **efforts to enhance gender equity within unions have led to some advancement, contributing to a more inclusive union environment that facilitates broader participation for women**, including leadership roles in commissions. These advancements were notably spurred by the labor reform in 2019, which mandated proportional gender representation in union leadership and required the CFCRL to reject the renewal of union statutes that failed to incorporate this stipulation.[46]

Despite these advances, system stakeholders across the board call for further actions to achieve equitable gender participation and address gender-based discrimination effectively. Concerns exist that some unions might superficially comply with gender representation requirements on paper without genuinely implementing these changes, making it difficult to verify true compliance. The relegation of women to gender-specific commissions within unions, coupled with instances where women heading other commissions are replaced by male counterparts who then take over, exemplifies some of the persistent challenges, as pointed out by academia, worker centers, and project implementers.

A persistent issue is the subtle but prevalent gender discrimination during collective bargaining, which undermines efforts toward inclusivity. "Discrimination isn't explicit. Women face limited access to opportunities. Even when permitted, protective measures tailored to gender conditions are lacking, leading to significant incapacities. Equality exists, but it lacks depth and essence. Attention is needed in sectors where many women are injured; protective equipment requirements differ," highlights a worker organization representative.

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[46] There is a specific area within the CFCRL dedicated to reviewing union statutes and evidence. However, the challenge lies in ensuring that these changes are genuine. Sometimes, unions may appear to comply with the rules on paper without implementing the necessary changes, making it difficult to verify true compliance.

Moreover, recent efforts to broaden the conversation to include active measures against gender and sexual orientation-based aggression encounter cultural and legal hurdles, highlighting the lack of progress in achieving substantial gender and lesbian, gay, bisexual, transgender, queer/questioning, intersex, and asexual (LGBTQIA+) inclusion within unions. This gap has led to calls for comprehensive training and affirmative action initiatives aimed at creating a genuinely diverse union environment that meets the needs and priorities of all members, including those from marginalized and underserved populations.

To ensure labor reform efforts' effectiveness and sustainability, mainstreaming gender equity, inclusive participation, and active measures against gender and sexual orientation-based aggression across all ILAB's interventions is critical. This integrated approach, emphasizing the motivation to adopt behaviors and institutionalize practices associated with improved workers' rights, would not only enhance inclusivity within the labor movement but also ensure the momentum toward an inclusive, safe, and healthy working environment for Mexico's automotive workforce.[47]

Leverage Points:

Establish Support Systems (Delivery of Services) – *High Leverage Point*

Setting up robust support structures for union members who encounter discrimination or aggression provides immediate support and acts as a deterrent against discriminatory and aggressive behaviors, fostering a safer and more inclusive union environment. This involves creating a confidential reporting system and forming response teams to handle incidents effectively and with sensitivity.

Engage Partnerships for Education (Motivation/Mental Models, Human Capacity) – *Medium Leverage Point*

Leverage strategic partnerships with organizations specializing in gender equity and inclusivity training. These collaborations enable the delivery of tailored educational programs and resources to union members and leaders, enhancing their understanding and implementation of inclusive practices within the union.

3.2.3 FORMATION OF INDEPENDENT UNIONS CATALYZED BY THE RRM AND ILAB'S TECHNICAL ASSISTANCE

The emergence of independent unions has gained momentum due to the combined efforts of the RRM under the USMCA and ILAB's technical assistance, specifically the SC Worker Project, which provided strategic support to workers throughout the negotiation process. **Both independent unions and ILAB view this trend as a key and unexpected development in advancing labor rights in Mexico**, gradually shifting away from traditional labor practices—which are opaque and employer-controlled—toward more democratic, inclusive, and fair labor relations.[48]

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[47] For more detailed analysis regarding gender perspectives, please refer to Section 5.6 Diversity and Inclusion.

[48] Independent unions and ILAB identified the emergence of democratic unions, such as Saint Gobain, as a positive, unexpected, and important change through the outcome journaling exercise, indicating that in some cases, this was not seen as a feasible possibility.

An independent union representative highlights the importance of this transition, stating, "This change brings workers towards a better working environment that is healthy, safe, inclusive, and respects labor rights. The immediate wage increases are beneficial, but the continuous advantages provided by an independent union are yet to be fully assured."

A prime example of this trend is the establishment of a new independent union at a Saint Gobain facility in Cuautla, Mexico, in October 2022. Workers chose this new independent union to represent them in collective bargaining negotiations following a petition filed under the RRM. This event, triggered by allegations of the denial of workers' rights to free association and collective bargaining, underscores the impact of international mechanisms and domestic support in catalyzing labor rights' advancements. The case resulted in a significant labor rights victory, with negotiations leading to "an 11 percent increase in wages and benefits for the workers, unprecedented in the factory's history," an ILAB official notes.

Yet, fully establishing independent unionism faces challenges, including persistent resistance from employers and employer protection unions and workers' fears of reprisals. Independent unions continue to perceive the ongoing need for support, worker solidarity, and strategic guidance from entities like ILAB's implementers as crucial. **This brings into focus the sustainability question of whether the democratic gains achieved will be maintained and adapted over time without continuous ILAB intervention**.

3.3. ENFORCEMENT OF LABOR LAWS AND ADDRESSING LABOR LAW VIOLATIONS
The enforcement of labor laws plays a critical role in safeguarding labor rights, eliminating workplace discrimination, and ensuring safe and healthy conditions for workers across the Mexican automotive sector. Within this context, ILAB's initiatives are leading efforts to improve law enforcement mechanisms by focusing on enhancing the quality of labor inspections, strengthening the coordination among enforcement institutions, and proactively addressing labor law violations. ILAB's portfolio is strategically positioned to foster systemic change and uphold workers' rights more effectively. Additionally, ILAB's technical assistance encourages the utilization of mechanisms such as the USMCA Rapid Response Mechanism (RRM), as well as domestic mechanisms like local conciliation centers and labor courts, to further support the improvement of worker rights, exemplifying a comprehensive approach to labor law enforcement.

A key example of this strategic approach is the AIR CALLE project. This flagship initiative bolsters the Government of Mexico's capacity to protect workers' rights in the automotive parts sector by providing essential technical assistance, including innovative tools, technology solutions, and specialized training. The AIR CALLE project's efforts are aimed at enabling more effective government protection of workers' rights and ensuring the comprehensive implementation of Mexican labor laws, particularly labor justice reforms within the automotive parts industry.

The effectiveness of ILAB's assistance in this realm is reflected in the responses from our survey, where 69 percent of respondents rated ILAB's support in improving the quality of labor inspections as above moderate or highly effective. Similarly, an equal proportion of respondents rated ILAB's technical assistance as above moderate or highly effective in strengthening the coordination of law enforcement agencies, including STPS, CFCRL, and State Ministries of Labor, as well as their inspection units. Furthermore, 75 percent of those surveyed highlighted ILAB's assistance as above moderate or highly effective in preventing and addressing labor law violations, underlining the significant impact of these initiatives on the enforcement landscape.

Project Highlight: AIR CALLE Project
The CALLE project has made significant progress in improving worker rights through its training initiatives. After participating in the project's workshops and knowledge transfer activities, 547 staff members from the Secretariat of Labor and Social Welfare (STPS) demonstrated increased knowledge in administering or utilizing CALLE-developed labor inspection tools, legal frameworks, and procedures. Notably, 89 STPS staff members reported having implemented these tools and frameworks.

These results underscore the critical role of ILAB's interventions in driving forward the enforcement of labor laws and ensuring a more equitable and safe labor environment within Mexico's automotive sector. By focusing on these key areas, ILAB is setting a robust foundation for sustainable improvements in labor law enforcement, thereby contributing to the broader goals of labor reform and worker protection in Mexico.

3.3.1. PROGRESS AND CHALLENGES IN EMPLOYMENT CONDITIONS AND HEALTH AND SAFETY

The dialogue surrounding employment conditions and workplace health and safety within Mexico's automotive sector reveals a complex picture characterized by divergent perspectives among various stakeholders. Government entities and certain business leaders in the automotive industry assert that issues such as forced labor and unsafe work environments have been largely addressed due in part to the labor reform and heightened scrutiny from RRM processes. However, worker centers and unions draw attention to the persisting pressures and hazardous conditions workers continue to confront, which are outside the scope of the RRM mechanism. Conversely, there is unanimous agreement that child labor is not prevalent within the automotive sector, underscoring a significant area of consensus.

The discrepancy in views becomes particularly evident when discussing labor practices akin to forced labor, such as mandatory overtime. Although not explicitly classified as forced labor, the dynamics of such mandatory overtime under the threat of economic penalties if workers refuse closely resemble its characteristics, revealing systemic challenges that extend beyond simple compliance with labor laws to broader issues of labor rights and workplace dignity. "In some cases, contracts stipulate that workers are obligated to work overtime if the employer requires it," a representative from a worker organization explains, highlighting the subtle persistence of coercive labor practices.

Moreover, **the safety of machinery and overall workplace safety standards emerge as significant areas of concern**, especially with regard to SMEs. These businesses, often operating with limited

resources and under less scrutiny, face pronounced challenges in ensuring both labor rights protection and the provision of safe working environments.

Some business stakeholders argue that high-quality production standards inherently address labor and safety issues, but this is met with skepticism. The consensus among labor rights advocates and workers themselves is clear: the pursuit of productivity, often characterized by strategies to maximize output with minimal costs, including reduced wages and extended working hours, cannot justify compromises on worker safety and rights. The presence of multinational corporations, despite their advanced technological and organizational capabilities, does not negate the presence of traditional labor issues. This underscores the necessity for continuous engagement and the creation of industry-specific strategies that prioritize worker well-being alongside productivity, supported by better enforcement mechanisms.

"To truly tackle these challenges," notes an implementer, "we need to rethink the employer's approach to productivity, which is frequently based on minimizing staff and wages. The strategy often involves agreements with the government or unions that perpetuate outdated practices."

This nuanced discussion highlights **the ongoing need for sector-specific strategies that ensure high-quality production standards without compromising workers' safety and rights**. It unearths the importance of sustained efforts and strategic interventions to ensure labor rights and safety standards are not only maintained but also enhanced across the board in the face of evolving labor dynamics and the growing presence of global corporations.

Leverage Points:

Foster a Cultural Shift to Prioritize Worker Welfare and Safety (Motivation/Mental Models) – *High Leverage Point*

Leverage awareness campaigns and facilitate roundtable discussions involving workers, businesses, and government stakeholders to highlight how safe labor practices are integral to productivity and quality. Address the common misconception that excessive mandatory overtime is necessary for productivity, demonstrating through data and case studies how optimizing work hours can not only enhance safety but also improve overall worker satisfaction and productivity. This approach aims to reshape existing perceptions that contribute to unsafe working conditions and excessive mandatory overtime, fostering a safer and more respectful workplace environment.

Strengthen Worker Safety through Union Advocacy (Motivation/Mental Models) – *High Leverage Point*

Support the raising of workers' voices through independent and democratic unions as a crucial means of increasing pressure and driving changes within companies. Empowering workers through independent and democratic unions will increase pressure on companies to improve health and safety standards. This worker-led advocacy is crucial for driving systemic changes within companies, ensuring that safety regulations are not only implemented but also enforced effectively.

3.3.2. EFFECTIVENESS OF THE RAPID RESPONSE LABOR MECHANISM (RRM)

The RRM is widely recognized as an essential tool for advancing the protection of labor rights and effectively addressing labor violations, particularly by labor unions. Its effectiveness is largely credited to the concerted efforts of independent, democratic worker movements and the global attention these cases attract. Despite its achievements, the RRM's impact is perceived by multiple stakeholders as limited. This is due to the fact that there are relatively few cases; it only applies to facilities that export to the United States or compete with U.S. products sold in Mexico and is restricted to priority sectors, including aerospace, electronics, and the automotive sector.

A Mexican government official has voiced confidence in the potential of the RRM to be applied to strategic sectors that play a

> **Highlight: RRM Success**
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> According to a report from the Office of the United States Trade Representative (USTR, April 2024), since 2021, the United States has sought Mexico's review under the USMCA's RRM **22** times at facilities that span various industries, including automotive, garment, mining, food manufacturing, and services. The following results directly benefited nearly 30,000 workers:
>
> - provided over $5 million in backpay and benefits to workers,
> - ensured wrongly terminated workers were reinstated, and
> - helped secure free and fair elections in which workers selected independent unions to represent them.
>
> Though some cases are still ongoing, **17 cases have already resulted in either comprehensive remediation plans between the United States and Mexico or were successfully resolved during the RRM review process.** Eleven cases included backpay to workers, nine included reinstatements of workers, nine resulted in independent unions representing workers at the facility, and many resulted in successful negotiations for higher wages, workers' rights trainings, and improved policies at the facilities.

significant role in trilateral trade among USMCA countries. "I believe this can be applied to other industries, to sectors we might call strategic…. Any industry that is significant for the trade relationship between the member countries should be considered for replication," states a government representative.

However, some stakeholders have expressed criticism of the RRM. Government representatives and academia have raised concerns about the RRM potentially overshadowing domestic conflict resolution mechanisms. Worker experiences with the RRM vary significantly; while there have been notable successes in holding employers accountable, there are also instances where employers bypass repercussions, and workers face retaliatory actions such as "blacklisting."

This dichotomy highlights the RRM's role as a crucial, albeit initial, element of a more comprehensive strategy for labor rights protection. It underscores the need for the RRM to complement and strengthen national conflict resolution mechanisms rather than replace them. Additionally, there is a pressing call for enhancing the RRM's responsiveness and for labor authorities to receive training that equips them to deliver swift and effective solutions to labor disputes.

In summary, the RRM has proven effective within the automotive sector and related industries. Its principles and activities are seen as adaptable and scalable to other industries crucial to the

trade relationships among USMCA countries, aiming to broaden the scope of labor rights protection. Moreover, the need to integrate the RRM with domestic mechanisms and improve its responsiveness and effectiveness reflects a comprehensive approach to labor rights enforcement, ensuring that the mechanism not only addresses violations but also supports a broader strategy for labor justice.

Leverage Points:

Strengthen and Integrate National Mechanisms (Institutional and Human Capacity) – *High Leverage Point*

Bolster the capacity and efficiency of national conflict resolution mechanisms, such as the CFCRL and Labor Courts. Provide training that includes updated legal regulations, procedural steps involved in the application of the RRM, and advanced conflict resolution skills. Additionally, equip these institutions with modern technological tools for case management and data sharing. This comprehensive approach ensures they address labor disputes effectively and swiftly, operating in harmony with the RRM to provide thorough protection for workers' rights.

Counteract Retaliation/Improve Whistleblower Protection (Behaviors and Practices) – *High Leverage Point*

Integrate specific strategies within the RRM framework to address and prevent acts of employer retaliation and blacklisting. This aims to create a safer environment for workers to assert their rights and engage with the RRM and domestic mechanisms such as the Labor Courts or the CFCRL without the fear of repercussions.

Generate Demand Through Success Stories (Utilization of Services) – *Medium Leverage Point*

Amplify demand for both the RRM and national conflict resolution services by highlighting success stories and the positive outcomes achieved through these mechanisms. Sharing these stories encourages more workers to come forward and utilize these resources as they become aware that tangible benefits and protections are achievable.

3.3.3. SUPPORT FOR LABOR INSPECTION AS A COMPLIANCE TOOL

The technological improvements in labor inspections, facilitated by ILAB through the AIR CALLE project, pave the way for increased compliance across the industry. By leveraging technological solutions, such as the enhancement of electronic case management systems (ECMS) for the labor inspectorate, this assistance aims to meet the sector's complex demands effectively. These technologies streamline the inspection process, reduce administrative burdens, and allow for more accurate tracking and reporting of inspection outcomes.

This advancement showcases the potential for scalability and replication of these strategies, setting a precedent for broader adoption. The targeted inspection of companies with compliance issues not only fosters direct improvements but also serves as a proactive measure that encourages similar businesses to rectify their practices preemptively. A government official praises this approach for its precision and reach, highlighting the ripple effect that encourages a broader compliance culture across the industry: "Improvements are notable for two reasons. Firstly, our work has become smarter [and] more focused, allowing us to identify and address industries with specific issues. Secondly, as we target these industries, surrounding or similar industries are prompted to amend their practices in anticipation."

> **Highlight: AIR CALLE Project Diploma Certificate**
>
> The *Diplomado* is a 120-hour professional certificate training course, created by AIR in collaboration with the Facultad Latinoamericana de Ciencias Sociales (FLACSO), targeting federal labor inspectors. It covers essential content for a professional labor inspector corps, including Mexican labor laws and regulations; Mexican labor inspection processes; responsibilities of public servants; the Mexican labor market and the world of work; individual and collective labor rights, including workers' rights to organize and bargain collectively; and, human rights and gender equity in the context of labor inspections. Since the inception of the course in 2022, a total of 170 inspectors have participated in the *Diplomado* (October 2023 TPR). Overall, CALLE has trained 675 STPS staff (294 women) in CALLE-developed labor inspection tools, legal frameworks, and labor inspection procedures.

However, stakeholders across the system unanimously agree on the need for a more holistic approach to labor inspections beyond just technological improvements. There is a strong call for bolstering public institutions and tailoring inspection strategies to the unique challenges of each workplace. Increasing resources—financial, human, and technical—is deemed crucial for a comprehensive inspection framework that includes adequately compensated, well-trained staff to help overcome the challenges of corruption and enhance transparency.

Amid these advancements and calls for broader strategies, the professionalization of the labor inspectorate emerges as a pressing priority. Establishing a structured career pathway for inspectors, coupled with specialized training programs, is pivotal for ensuring precise, focused, and technically proficient inspections. **The inspectorate certificate training, funded by ILAB through the AIR CALLE project, aligns with this pressing need and exemplifies the significant impact of targeted educational initiatives.**

Despite progress with technological and training enhancements, there remains a clear need for further support. Stakeholders advocate for improved transparency in the inspection process and

innovative methods to address procedural delays, fight corruption, and reduce employer bias. The introduction of verifiers, potentially from other labor institutions, is proposed to elevate the credibility and thoroughness of the inspection process.

In essence, while technological and educational advancements have enriched the labor inspection landscape, achieving transformative change requires a continuous and comprehensive strategy. This strategy must enhance both technology and training and focus on improving transparency, procedural integrity, and public institution support. Critically, the Mexican government must also be involved in this comprehensive strategy, allocating further resources to the inspectorate, in both better wages and a higher number of inspectors, to ensure its effectiveness. Through such a multifaceted approach, the aim is to cultivate a more effective, dependable, and equitable labor inspection system across Mexico's automotive industry.

> We've conducted, for the first time in history, a diploma course for inspectors with support from the Department of Labor, training approximately 160 to 170 inspectors—about a third of the federal scope. This four-and-a-half-month diploma course has significantly improved their capabilities, as evidenced by positive evaluations from the inspectors themselves.
>
> – *KII, Academia*

Leverage Points:

Enhance Transparency and Engagement (Demand for Services) – *High Leverage Point*

Leverage technology tools to enhance the transparency of the labor inspection process by making inspection outcomes and procedures readily accessible through online platforms. This includes providing real-time updates and interactive feedback mechanisms, ensuring that stakeholders can easily obtain crucial information. Using technology to provide access to inspection results and procedures makes the inspection process more open and visible. Increased transparency builds trust, ensures accountability, and stimulates demand for more rigorous and equitable inspection practices, ultimately enhancing compliance across the industry.

Emerging Good Practice: Technological Enhancement in Labor Inspections – The AIR CALLE project significantly improved the federal labor inspectorate's ECMS by incorporating data analytics and predictive analytics tools. This innovation supports a data-driven, targeted inspection strategy by identifying high-risk employers for labor law violations, thus making inspections more efficient and focused. As a progression of this initiative, and provided enabling conditions are met—such as the full implementation of the ECMS and comprehensive training of inspectorate staff—a similar approach could be extended to ensure transparency and openness in labor inspection outcomes.[49] This step would allow external stakeholders access to inspection results, thus enhancing accountability and reinforcing public trust in the enforcement process.

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[49] AIR informed the evaluation team that the ECMS was launches by the Mexican Government on May 10, 2024.

3.3.4. ENFORCEMENT OF SANCTIONS FOR LABOR VIOLATIONS

Inadequate enforcement of sanctions for labor violations emerges as a paramount concern among system stakeholders, especially workers, academia, and implementers within Mexico's labor sector. They highlight the essential need for penalties prescribed by law to not only be applied but also to be substantial enough to effectively deter businesses from violating labor laws. Two primary obstacles to this enforcement are procedural delays caused by an imbalance between the high volume of lawyers representing businesses versus the limited number of inspectors and the necessity for sanctions to be sufficiently stringent to serve as an effective deterrent.

These procedural delays in administrative processes are significantly exacerbated by the disproportionate ratio of legal representatives to inspectors, impeding the timely resolution of cases within the legally mandated periods. This issue, linked to previous findings, underscores the critical importance of boosting the inspectorate's capacity and resources to effectively address and mitigate these delays.

Stakeholders, mainly unions and labor advocates, advocate for intensifying penalties and meticulously monitoring their enforcement, targeting both organizations and individual actors. They believe that a more stringent application of sanctions, along with enhanced oversight of compliance, will lead to a substantial increase in adherence to labor laws.

Furthermore, effectively combating the widespread issue of corruption is deemed crucial for the successful enforcement of sanctions. Stakeholders suggest a comprehensive, collaborative strategy among various authorities to enhance the effectiveness of enforcement. This coordinated approach is designed to directly confront corruption, ensuring sanctions for labor violations are applied fairly and effectively. One key element of this strategy is AIR CALLE's recently launched ECMS and its powerful dashboard component. This centralized system empowers inspectors with the tools to meticulously track scheduling, inspections, follow-ups, and other activities by inspector. By increasing transparency and accountability, the ECMS is expected to decrease corruption. However, as the system only launched in May 2024, the Strengthening Mexican Inspectorate for Labor Enforcement (CAMINOS),[50] an ILAB-funded project also implemented by AIR, will be closely monitoring its implementation to assess its effectiveness and impact.

In tackling these challenges, it is clear that a holistic strategy is necessary. This strategy should focus on augmenting the inspectorate's capacity and resources, imposing more severe and carefully monitored sanctions, and fostering a joint effort to fight corruption.[51] If implemented effectively, these actions will make sanction enforcement a more powerful tool in promoting

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[50] Strengthening Mexican Inspectorate for Labor Enforcement (CAMINOS) | U.S. Department of Labor (dol.gov).
[51] The AIR CALLE project created links in the ECMS to link inspections through sanctions, aiming at facilitating the effective imposition of sanctions.

compliance with labor laws, ultimately contributing to a fairer and more just labor landscape in Mexico.

Leverage Points:

Implement Collaborative Anti-Corruption Efforts (Access to Services, Demand of Services, Motivation/Mental Models) – *High Leverage Point*

Leverage collaborative efforts among various government agencies, civil society, and international partners to combat corruption that hampers the effective enforcement of sanctions. This could involve developing platforms for sharing information and best practices, enhancing transparency in the enforcement process, and implementing mechanisms for public oversight and the reporting of labor law violations.

Emerging Good Practice: Streamline Enforcement Processes (Delivery of Services) – The AIR CALLE project has played a significant role in enhancing the effectiveness of labor inspection processes through a strategy that integrated advanced technology and built inspector capacity. By providing specialized training to inspectors and utilizing technological tools, the AIR CALLE project aimed to streamline enforcement processes. If these strategies are fully adopted and sustained by the Mexican government, they have the potential to ensure swift and accurate application of sanctions and reduce administrative delays, allowing cases to be resolved within legal timelines and supporting effective labor law enforcement.

3.3.5. STRENGTHENING STATE AND LOCAL AUTHORITIES FOR EFFECTIVE LABOR LAW APPLICATION

Ensuring the rigorous application of labor laws and safeguarding workers' rights within Mexico's automotive industry hinges on enhancing the capabilities of key actors—employers, unions, and especially state and local authorities—to enforce labor laws effectively. This enforcement is vital in safeguarding workers' rights and ensuring that employers and unions adhere to new standards of transparency and democratic engagement.

State and local authorities, including state ministries of labor, Local Conciliation Centers, and local labor courts, play a critical role in enforcing labor laws. However, system actors have identified significant challenges, including limited capacity due to a shortage of labor inspectors, corruption, lack of transparency, and inefficiency, which hinder effective enforcement. These issues hinder their ability to oversee the fair application of labor standards and protect workers' rights effectively. These issues, coupled with geographic and socio-economic barriers, often prevent workers, especially in remote areas and marginalized communities (for example, women in Northern Mexico), from accessing legal support and services that allow them to assert their rights.

The central issue is the fragile operational capacity of labor institutions at the state and local levels. To address this, the industry has a pressing need for capacity-building initiatives and the allocation of adequate resources. This includes not only training programs focused on modern enforcement techniques and ethical governance but also improving organizational processes. Such measures would empower authorities with the tools to balance economic growth with labor rights protection, ensuring a fair and just labor market.

Leverage Points:

Cultivate Informed Dialogue (Motivation/Mental Models, Delivery of
Services) – *High Leverage Point*

Encourage open and transparent communication between workers, employers, and authorities to
foster an environment of trust and cooperation. Fostering an environment of trust and cooperation
supports the implementation of labor reforms and helps align mental models toward a common
understanding of rights and responsibilities under the new labor laws. This active engagement is
crucial for reinforcing the transparency and accountability needed for effective labor law
enforcement.

3.4. PROMOTING COMPLIANCE WITH LABOR LAWS

**Promoting compliance with labor laws is an essential component of ILAB's strategy to mitigate
incidents of labor violations and foster a culture of respect for workers' rights in the Mexican
automotive sector.** This approach is complementary to the enforcement of labor laws, with
ILAB's initiatives designed to serve as catalysts for systemic change. By implementing labor
mechanisms that protect and foster labor rights—such as collective bargaining support and
certification for labor standards—in addition to awareness-raising and capacity-strengthening
activities, ILAB aims to encourage a proactive commitment to labor law compliance across the
industry.

A prime example of these efforts is PADF's Auto Employer project. This initiative specifically
targets automotive sector employers, particularly small and medium-sized manufacturers,
aiming to bring them into compliance with Mexico's labor laws and improve working conditions
within the automotive supply chain.

The effectiveness of these efforts is evident in the feedback from our survey, where an
impressive 85 percent of respondents rated ILAB's assistance in implementing labor
mechanisms to protect and promote labor rights as above moderate or highly effective. This
overwhelmingly positive response underscores the significant impact of ILAB's initiatives in
promoting labor law compliance within the Mexican automotive sector.

By focusing on increasing employer capacity and awareness, promoting proactive workplace
dialogue, and supporting preventive measures against violations, ILAB's initiatives contribute to
a more compliant and equitable labor environment. These efforts help mitigate incidences of
labor violations and lay the groundwork for sustainable improvements in labor practices,
reinforcing the overall goals of labor reform and the protection of workers' rights in Mexico.

3.4.1. BINATIONAL COLLABORATION TO PROMOTE LABOR RIGHTS

**The collaboration between workers in the United States and Mexico, particularly through the
RRM, stands as an innovative model for improving labor rights across borders.** This
collaboration, spurred by ILAB's technical assistance, fostered a strategic exchange of insights
and practices between U.S. and Mexican unions, vital for promoting labor standards within the
interconnected automotive industry.

Worker representatives in Mexico underscore the significant advantages of such cross-border
cooperation: "The exchange of information and organizational experiences among workers from

different countries is invaluable," stressing the urgency of establishing robust binational solidarity. **This underscores the importance of horizontal linkages—connections among workers across borders that bolster collective labor advocacy and power.**

Fostering this binational partnership underscores ILAB's in-depth understanding of the automotive sector's complexities and intricacies. It showcases a commitment to building and maintaining strong networks that link workers and unions, enhancing trust and solidarity beyond geographical divides. This commitment recognizes that strong linkages between workers' groups are essential to effectively promoting and protecting labor rights.

Emerging Good Practice: Facilitate Worker Collaboration Across USMCA Countries: The Solidarity Center has successfully implemented a practice that fosters practical exchanges between workers and unions in the United States and Mexico. This initiative enhances labor rights advocacy by allowing workers to share experiences and strategies across borders. Such collaboration has proven effective in developing a unified approach to defending labor rights, strengthening workers' power across borders and supply chains, and setting the conditions for workers to exercise that power to improve wages and working conditions in coordinated international campaigns. It is recommended that this practice be scaled up to involve more Mexican workers and potentially expand to include Canadian participants in the exchanges.

3.4.2. ADAPTIVE DYNAMICS AND RESISTANCE IN LABOR REFORM IMPLEMENTATION

Implementing labor reform in Mexico's automotive sector has revealed a complex mix of progress and resistance. Despite significant steps toward compliance with new legal frameworks, certain segments of the business sector and employer protection unions show either resistance or superficial adherence, falling short of truly embracing democratic practices and fair labor negotiations.

Worker organizations and labor experts report mixed reactions: "Some employers show a clear lack of willingness to negotiate in good faith," and "They resist losing 'stability,' hence colluding with protection unions." This perspective is widespread, with many pointing out the pretense in the corporate sector and among corporate unions: "The business sector and corporate unions often engage in simulations, as seen in recent CCT legitimizations, collective negotiations, and the election of union leadership."

Such behaviors and practices suggest that the efforts of employer protection unions and some employers to comply with labor reforms often amount to no more than nominal adjustments. Instances where new unions have achieved collective bargaining rights shed light on certain employers' tactics to work with previously dominant unions to hinder the new unions' progress. This underlines the ongoing obstacles to genuine union representation and emphasizes the crucial role of mechanisms like the RRM in maintaining neutrality and bolstering the rise of independent unions.

To address these challenges and encourage employers to fully embrace labor reforms, a strategy that leverages both enforcement mechanisms and incentives is crucial. Recognizing and spotlighting businesses that have demonstrated significant advancement serves as a potent motivator. Government officials recommend involving businesses, especially those that

have participated in ILAB's technical assistance, in certification processes and annual forums to disseminate best practices and initiatives in labor rights: "The certification process can serve as a tool to navigate these challenges [and is] especially beneficial for companies that are further along. These companies could spearhead the process of certification and its dissemination. Even after the conclusion of project funding, these companies will possess outcomes worth sharing, potentially in forums facilitated by networks."

This environment of adaptive dynamics underscores the necessity of a comprehensive approach to implementing labor reform. Beyond mere legal compliance, fostering a culture wherein employers are incentivized to adopt behaviors that promote workers' rights is paramount. Sustained support for emerging independent unions, alongside the rigorous application of mechanisms like the RRM, is crucial in navigating through resistance and realizing the objectives of labor reform, ultimately contributing to a more just and equitable labor landscape.

Leverage Points:

Celebrate True Reform Champions (Motivation/Mental Models) – *Medium Leverage Point*

Publicly recognize and celebrate businesses and unions that genuinely embody democratic practices and equitable labor relations. This recognition involves awards and public acknowledgments at key industry events. Industry leaders and local labor rights organizations manage the initiative in partnership. Their stories serve as a beacon to inspire others toward similar achievements.

Implement a Certification for Labor Standards (Motivation/Mental Models) – *Medium Leverage Point*

Promote a certification process for companies that adhere to high labor standards, including independent union practices and equitable labor relations. This serves as a tangible marker of commitment to labor reform, encouraging more businesses to strive for these standards.

Emerging Good Practice: PADF's Auto Employer project, in collaboration with the state of Chihuahua, has introduced the "Distinctive" certification to assess and recognize companies that adhere to high human rights standards in their operations and workplaces. This certification serves as a tool for companies to strengthen their practices and organizational commitment to human rights. Companies that receive the Distinctive can use the "Empresa Comprometida con los Derechos Humanos®" logo on their documentation and publicity and will be featured in local publications and media, enhancing their reputation as champions of human rights.

3.4.3. ENHANCING TRANSPARENCY AND NAVIGATING CORPORATE CONTROL IN LABOR RELATIONS

The labor reform in Mexico aimed to bolster transparency and democratic engagement within labor relations. A central aspect of this reform was the process of legitimizing collective bargaining agreements (CBAs), a step forward in ensuring that workers have access to and can vote on critical information about their employment conditions. This measure was designed to enable more informed and fair negotiations on wages and benefits. As referenced in Section 5.2.1, after a revision conducted in 2022, the STPS estimated there were around 139,000

CBAs. According to data from the CFCRL, only 30,529 were legitimized CBAs as of April 10, 2024.

Despite the intentions behind the labor reform, the reality on the ground reflects a challenging journey toward achieving transparency. Workers, union leaders, and labor rights advocates cite frequent obstacles in accessing key company information, especially financial details crucial for understanding rightful monetary benefits. Employers' negotiating tactics often involve withholding information "regarding their earnings, in order not to give workers what they monetarily deserve by right," reveals one critique, highlighting how productivity increases without corresponding compensation have become commonplace.

Moreover, the CCT legitimization process itself, meant to democratize the validation of collective agreements, has been critiqued for offering workers limited or biased information, leaving many unable to grasp the full implications of these processes. "In the majority of cases, companies control the information and misinform workers with the aim of sowing fear, arguing that if they seek change, they will lose what they have," as one respondent expresses, illustrating the challenge of ensuring that workers are fully informed and able to participate in a meaningful dialogue about their labor rights.

The path toward genuine transparency and equitable labor relations goes beyond legislative measures; it necessitates a cultural shift within both the corporate sector and employer protection unions. The labor reform's introduction of measures like the CCT legitimization process was a step in the right direction, but as stakeholders have noted, the journey toward fully realizing these objectives is still fraught with challenges. Workers are increasingly aware of their rights, thanks in part to social media and informal networks, yet the gap between the reform's intentions and its practical application continues to underscore the barriers to transparent and informed labor relations.

As the labor landscape continues to evolve, the importance of ensuring workers' access to comprehensive and unfiltered information remains paramount. Addressing these challenges head-on and fostering an environment where employers and unions are held accountable for genuine transparency and democratic engagement is crucial for the future of labor rights in Mexico's automotive sector and in other industries.

Emerging Good Practice: Strengthen Information Access through Worker Centers (Access to Services) – Promoted by the SC, "Casas Obreras" or worker centers in San Luis Potosí play a crucial role in empowering laborers within the Mexican automotive sector. These centers are vital for educating workers about their rights and providing legal guidance. As accessible public hubs, they enable workers to organize effectively and navigate legal challenges, facilitating the formation of independent unions. The success of these centers in fostering worker trust and advocacy has demonstrated their potential for replication in other regions to further strengthen labor rights education and organization.

Emerging Good Practice: Implement Digital Platforms for Transparency (Delivery and Utilization of Services) – The SGLLE: Mexico project, in collaboration with the FCCLR and STPS, has significantly advanced labor justice reform through the development and support of public union democracy database that organizes,

stores, preserves, and makes available historical, revised, and new union democracy-related files for public consultation through user-friendly search mechanisms. By making this data readily accessible, it enables workers to make more informed decisions and engage more effectively in negotiations.

3.5. COLLABORATION, LEARNING, AND ADAPTATION

Collaboration, learning, and adaptation (CLA) are fundamental and cross-cutting elements in ILAB's initiatives. These processes are integral to enhancing the effectiveness and sustainability of labor law enforcement and compliance efforts. By continuously engaging in collaborative practices, learning from experiences, and adapting strategies, ILAB ensures that its initiatives are responsive to the evolving challenges within the Mexican labor landscape. This approach not only fosters stronger partnerships among stakeholders but also drives innovative solutions that contribute to the progressive improvement of labor conditions across the industry.

ILAB's Technical Assistance and Cooperation (TAC) approach to project management plays a crucial role in fostering a CLA-friendly environment. This approach encourages adaptive management, where project managers design processes to be flexible and responsive to new information and changing circumstances. As ILAB implementers note, this adaptability allows for the continuous refinement of strategies and the implementation of innovative solutions that address the dynamic nature of labor challenges.

3.5.1. ADVANCES AND LIMITATIONS IN SECTORAL COLLABORATION

There has been progress in sectoral collaboration within Mexico's automotive industry. Key stakeholders, including federal agencies and business association representatives, have observed that business chambers and automotive clusters[52] have been especially influential, guiding the integration of legal changes across both state and federal levels. Their concerted leadership has been crucial in cultivating a collaborative environment and improving the comprehension and implementation of labor reforms across the industry.

ILAB's technical assistance, particularly through PADF's Auto Employer project, has played a significant role in these advancements, providing structured learning via specialized diploma programs. These educational initiatives have equipped some industry leaders and their associations with an in-depth understanding of labor reforms aimed at promoting the effective application of these changes. Moreover, ILAB's support has been key in ensuring the clear communication of these reforms, with projects such as PADF's Auto Employer project and the POA MAP capitalizing on clusters and corporate networks to broaden the dissemination of information. Collaborative efforts with the Ministry of Labor and other local authorities have been essential, fostering a comprehensive approach to sector-specific issues. The evaluation team believes that these formal education training programs can be scaled up and offer significant opportunities for replicability. By integrating them into university course catalogs and certification programs, these initiatives can broaden their impact, allowing businesses and

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[52] An automotive cluster in Mexico is a strategic grouping of businesses, often supported by the government, designed to promote collaboration and development within the automotive industry. These clusters typically include a mix of micro, small, medium, and large enterprises and involve representatives from the business sector, labor unions, educational institutions, and government agencies. The main goals of automotive clusters in Mexico are to enhance competitiveness, foster innovation, and develop comprehensive local supply chains.

industry leaders across various sectors to significantly enhance their understanding of labor law reforms.

Despite these successes, the journey toward sectoral coordination is not without its challenges. Variations in progress between regions highlight the disparities in assimilating the new legal requirements and labor responsibilities for the business sector. Guanajuato, in particular, demonstrates more pronounced momentum compared to other states such as San Luis Potosí, Estado de México, or Morelos. In Guanajuato, there is a pressing call for automotive clusters to actively promote the dissemination of information about labor rights. This effort aims to reduce resistance to change and enhance stakeholder engagement. Businesses are also encouraged to actively participate in the training aspects of legal updates while respecting union activities. The government contributes by providing specific opportunities for educating unions on new labor laws. While similar efforts are observed in San Luis Potosí and other states, the targeted training for unions in Guanajuato is particularly notable. The region's proactive approach is partly due to the impact of the first Rapid Response Mechanism (RRM) intervention in May 2021,[53] involving a General Motors facility in Silao. This significant event led to a series of union votes and a sustained drive for compliance, with Guanajuato experiencing a total of three RRMs as of April 2024, highlighting its continued leadership in labor reform implementation.

To further its collaborative efforts and adapt to the Mexican context, ILAB's technical assistance should emphasize strengthening linkages and networks. This includes fostering connections among business chambers, clusters, and local authorities and gradually integrating independent unions and workers to bolster a unified approach toward implementing reforms. By continuing to develop structured knowledge, enhancing strategic communication, and fostering cooperative relationships, ILAB's technical assistance is well-positioned to continue providing substantial

Breaking Barriers: Alejandra Morales Reynoso's Historic Leadership at General Motors-Silao

Under the USMCA (T-MEC), union leadership in Mexico must strive for gender parity. Alejandra Morales Reynoso has become a pioneering figure by becoming the first woman to hold a union leadership position in the Mexican automotive industry at General Motors-Silao.

Morales Reynoso's rise to general secretary was not due to gender quotas. At General Motors-Silao, which employs 6,230 unionized workers (23 percent women), her leadership emerged from a personal journey over 11 years. She joined as a single mother without a high school diploma and completed her education while working, eventually earning a degree in administration and finance. Before the labor reform, Morales Reynoso and a group aimed to improve conditions at General Motors, despite facing dismissals. They formed "Generating Movement," which later became the foundation for the Independent National Union of Automotive Industry Workers (SINTTIA), securing union representation at General Motors.

Her colleagues promoted her as their general secretary due to her demonstrated commitment to improving labor conditions. Despite threats, she persevered and solidified her position as the general secretary of SINTTIA. Her leadership in the automotive industry was recognized with the "Mandela Award 2022" by UNIFOR.

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[53] See detailed official documentation of the RRM here: Chapter 31 Annex A; Facility-Specific Rapid-Response Labor Mechanism | United States Trade Representative (ustr.gov)

support. This will help ensure the automotive sector builds a cohesive and well-informed base for the ongoing application of labor reforms in Mexico.

> **Emerging Good Practice:** Enhance Information Dissemination and Accessibility – The POA MAP and PADF's Auto Employer projects are capitalizing on collaborations with automotive clusters and business associations to significantly enhance the dissemination and accessibility of labor rights information. This strategic partnership facilitates a deeper understanding and more effective application of labor laws among stakeholders.

3.5.2. DIVERSITY OF INVOLVEMENT AND PARTICIPATION IN LABOR RIGHTS INITIATIVES

System stakeholders across the board highlight that ILAB could significantly improve its collaboration and adaptation within the Mexican labor context by expanding its support to include a broader spectrum of actors. This includes non-unionized salaried employees, members of employer protection unions, and individuals within the informal sector, marking a step toward establishing a more equitable labor environment. Furthermore, multiple stakeholders identified partnering with key legal entities, such as the Federal Attorney's Office for the Defense of Labor (PROFEDET), as a vital strategy to effectively address and rectify labor violations.

Emerging Opportunities for Enhanced Collaboration and Adaptation – Perceptions of System Actors Expansion to Include Diverse Worker Groups:

- **Non-Unionized and Informal Sector Workers:** Stakeholders express that broadening ILAB's technical assistance to encompass non-unionized workers is essential for fostering an inclusive environment where all workers have access to justice and fair treatment. This approach should carefully navigate the complexities of encouraging inclusivity without undermining union membership, striking a balance between individual protections and collective bargaining power. Academia and worker groups underscore the importance of including workers from the informal sector despite the challenges inherent in reaching this expansive and diverse group.

- **Employer Protection Unions:** There is a call, mainly from the Mexican government and business stakeholders, for ILAB to consider a broader involvement of employer protection unions in its assistance programs. However, this proposition is met with skepticism by some within unions, academia, and implementers, who argue that employer protection unions may perpetuate existing power dynamics that prioritize their control over genuine advocacy for workers' rights. These stakeholders instead advocate for ILAB to support the development and promotion of democratic and independent unions that authentically champion workers' rights, a departure from traditional union models.

Enhancing Legal Collaboration:

- **PROFEDET and Local Prosecution Offices:** Recognizing the significant role of PROFEDET as a primary resource for workers after labor rights violations, ILAB has a notable opportunity to explore potential collaborations. Engaging with PROFEDET and local

prosecuting bodies could enhance the support system available to affected workers. Stakeholders suggest that such collaboration could substantially improve the efficiency, responsiveness, and capacity of these entities.

By including these diverse groups of workers and strengthening its legal collaborations, ILAB is positioned to enhance its impact within Mexico's labor environment, driving toward a more inclusive and effectively regulated labor landscape.

3.5.3. COMMUNICATION AND NETWORKS AMONG WORKERS

Labor networks, particularly those associated with university labor centers as promoted by ILAB's technical assistance, particularly through the SC Worker Project, are integral to the exchange of strategies and experiences among workers across different sectors and regions. These networks provide a critical platform for knowledge sharing and solidarity among independent unions, essential for understanding the intricate environment of labor rights and collective action.

Labor experts and worker groups emphasize the importance of sharing experiences and navigating processes that many workers find unfamiliar, suggesting a need to strengthen these connections. Many workers may find this new or challenging, pointing to a need to reinforce these linkages. Labor centers have been recognized for their consistent delivery of information and for generating insights into the labor and union landscapes across various sectors. Enhancing connections with training and advisory organizations is also seen as an important step in boosting the effectiveness of these networks.

Challenges remain, along with opportunities for progress. The digital divide between universities and the labor force indicates a significant barrier to effective communication and knowledge sharing, highlighting the importance of making information accessible and understandable. Clear, context-specific communication is necessary to avert misunderstandings that could result in worker discontent.

Moreover, stakeholders recommend the formation of strategic partnerships with worker confederations such as the Federation of Independent Trade Unions of the Automotive, Auto Parts, Aerospace, and Tire Industries (FESIIAAAN). Ensuring that academic efforts lead to measurable labor-reform impacts is crucial. These strategic alliances are key to bridging the divide between academic research and practical labor advocacy, thus broadening the impact and reach of labor organization activities. By encouraging such strategies, for example, in the shape of a "community of practice," ILAB can elevate the effectiveness of its initiatives to strengthen worker linkages and networks, ultimately bolstering workers' awareness and their capacity to uphold their rights.

Leverage Points:

Strengthen Labor Centers' Research and Outreach (Human Capacity)
– Medium Leverage Point

Enhance the research and outreach capabilities of university-based labor centers. By equipping these centers with the tools to produce and share pertinent labor and union research, they could become a central resource in informing and shaping labor discussions and strategies.

Emerging Good Practice: ILAB's technical assistance, through the SC project, is strengthening workers' support networks by facilitating the formation of strategic partnerships between labor centers at universities, worker confederations, and related training and advisory organizations. These partnerships are enhancing the labor center's influence and aiming to translate research and practical knowledge into tangible benefits for the workforce.

3.6. RESOURCE USE

ILAB's initiatives in Mexico have been characterized by a strategic allocation of resources, showcasing a strong potential for creating meaningful change, especially with the notable support provided to the CFCRL. Yet, this evaluation reveals a diverse efficiency and effectiveness landscape in resource utilization among various labor stakeholders and intervention types.

Interventions Targeting Government:
The STPS has faced challenges in maximizing the utilization of electronic platforms enhanced by ILAB's funding. The limited personnel have not been able to use all functionalities, indicating a potential gap in resource efficiency. However, these platforms have enabled STPS to expand its operational coverage without additional staff, suggesting a positive benefit from the investment.[54]

Financial and human resources at the STPS are reportedly strained, highlighting the need for better remuneration to retain skilled inspectors and uphold labor rights standards. The resulting high turnover rate poses a challenge to maintaining the investment in training, with exiting staff taking their new skills elsewhere.

Outside of the four sampled projects, ILAB's assistance to the CFCRL is particularly promising. The support for technological platform access and organizational planning led by the AIR SGLLE project has been pivotal, marking a significant advancement in resource utilization with a high potential for significant benefits and higher-level effects on the intended system actors. **The significance of the support ILAB provided for accessing technological platforms and planning the CFCRL's organizational structure is recognized as a key development in resource utilization.**

According to government stakeholders, "The support for technological platforms and organizational planning has been very important. It's not just about the amount of resources but the effective channeling of these resources that leads to the most significant impact. The CFCRL started with few resources, and if we had not received such directed support, we would not be in the position we are today. These supports have been invaluable."

Interventions Targeting Workers:

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[54] The AIR CALLE team informed the evaluation team that since fieldwork in 2023, the electronic platforms have been launched and that all inspectors will be utilizing these systems.

ILAB's expertise has notably bolstered worker training, highlighting the significance of workshops in enhancing knowledge and capabilities. This positive development indicates an effective application of human resource investments.

Interventions Targeting Employers:

While interventions with larger enterprises have deepened the understanding of labor reform, they have not yielded the anticipated shift in mental models, practices, or behaviors across the supply chain. The impact on smaller employers within the automotive industry is uneven, illustrating that the benefits relative to the resources invested can differ substantially among various supply chain participants.

Overall, ILAB's contributions, including funding and expertise, are considered critical. However, stakeholders agree that more time is needed to fully observe and evaluate the outcomes of ILAB's investments and the resulting benefits across the labor system.

3.7. DIVERSITY AND INCLUSION

The initiatives implemented by ILAB in Mexico's automotive industry play a crucial role in facilitating labor reform and enhancing working conditions. Nevertheless, the ILAB portfolio assistance has primarily targeted the general workforce, resulting in a dearth of evidence regarding the effectiveness of these interventions in adequately addressing the diverse needs and objectives of various underserved populations.

All ILAB initiatives incorporate a gender lens across monitoring and evaluation frameworks, evidencing a structured attempt to integrate gender-related considerations and activities. Within the ILAB portfolio, the POA MAP project used a more systematic approach by including gender-related outcomes in its result framework and outlined activities to include women, indigenous workers, and non-unionized employees through accessible materials in local languages. The POA MAP project additionally disaggregates data by ethnicity for seven out of its thirteen indicators. It is also evident that when relevant and feasible, the projects developed gender-sensitive materials and activities. For example, the AIR CALLE project developed a Gender Protocol and a General Process Manual aimed at standardizing labor inspections to be more gender-sensitive.

Figure 5. Representation Focus of ILAB's Projects in Mexico's Auto Industry (Ethnic Minorities, Women, LGBTQIA+ persons)

Despite these efforts, there remains a lack of clear evidence demonstrating how these activities translate into meaningful benefits for the target populations. Additionally, the evaluation team

did not find evidence that ILAB targeted or addressed the specific needs of people with disabilities, indigenous people, or other ethnic or racial minorities.

An effective inclusion lens requires a data-driven approach to understand the specific needs of underserved or vulnerable populations, tailoring interventions to address those needs and rigorously measuring the outcomes and impact of those interventions. Figure 5 shows which underserved groups each project served.

3.7.1. COMPLEXITIES OF ACHIEVING GENDER EQUALITY IN THE AUTOMOTIVE SECTOR

A key concern raised is gender discrimination and harassment within the automotive sector. As acknowledged by a government official, "This is a prevalent issue across the global automotive industry, due in part to the historically male-dominated nature of the sector." While there have been improvements in recent years, significant challenges remain. Participants emphasized the need for comprehensive solutions, including cultural shifts and enforcement of legal reforms, to establish effective preventive, interventional, and disciplinary mechanisms. This aligns with another participant's statement: "While progress has been made, addressing cultural and legal aspects remains crucial to promoting effective mechanisms for preventing, intervening against, and sanctioning discriminatory and harassing behavior."

Efforts that focus on increasing the number of women and minorities (closing the gap) must be coupled with **addressing the underlying reasons for their underrepresentation** for sustainable and effective solutions. A government official states, "I have perceived a little bit that maybe things are done, but comprehensive policies have not yet been designed, or we are left with the fact that perhaps we should focus only on reducing the gap, but nothing more than to meet a quota."

Significant progress is acknowledged in inclusion and gender equity within unions. However, challenges related to gender discrimination continue to persist, requiring ongoing attention. One participant asks, "What about gender inclusion in the unions? I would say that there have not been many advancements." This underscores the need for a comprehensive assessment of the situation. In addition, some participants stress the importance of involving women in all aspects of union work, not just gender-specific initiatives.

Leverage Points:

Drive Motivation for Gender Equity (Motivation/Mental Models) –
High Leverage Point

Increase the motivation of automotive companies and unions to address gender discrimination actively. This could be achieved through advocacy, public awareness campaigns, or incentivizing companies with awards or recognition for successful gender inclusion and equity initiatives.

Cultivate a Demand for Inclusive Services (Demand for Services) –
Medium Leverage Point

Encourage workers, especially women and underserved populations (such as people with disabilities and indigenous people), to demand safer and more inclusive workplaces. This could involve creating awareness about their rights and the contractual and procedural mechanisms available for reporting discrimination or harassment.

Enhance Access to Reporting Services (Access to Services) – *Medium Leverage Point*

Ensure that easily accessible, confidential, and effective channels for reporting harassment and discrimination are tailored to the needs and concerns of underserved populations. The establishment of these reporting channels should be incorporated into the company policies and receive endorsement from the government and other stakeholders, such as multinational firms and the environmental, social, and governance (ESG) community. It is crucial to include government resources and support as reporting options at the company level to empower underserved individuals who may be hesitant to report internally for fear of retaliation. Multinational firms can set industry standards, promote global adoption of strong labor practices, and specifically address gender equality in the labor force. In addition, ESG investors, who consider both labor practices and gender equality in their investment decisions, can encourage companies to prioritize ethical labor practices and advance gender equality in the automotive sector.

Improve Service Delivery for Gender Equity (Delivery of Services) – *High Leverage Point*

Enhance the enforcement of existing laws and policies related to gender equity, discrimination, and harassment, with a particular focus on underserved populations (such as people with disabilities and indigenous people), as outlined in the reform. This involves strengthening the oversight capacity of labor institutions regarding gender participation in unions and providing training for human resource professionals and managers on effectively handling complaints and implementing disciplinary mechanisms.

Emerging Good Practice: The AIR CALLE project has developed and launched the first gender protocol specifically designed for labor inspectors. This protocol and the associated training represent an innovative approach to addressing gender-specific issues in the workplace.

3.7.2.   DATA DEFICIENCIES HINDER INCLUSION IN THE AUTOMOTIVE SECTOR

The lack of comprehensive landscape data on the various vulnerable groups within the automotive sector suggests a significant knowledge gap, undermining the potential for tailored interventions that effectively cater to the nuanced needs of these groups. The automotive sector faces challenges in understanding the needs of vulnerable groups based on detailed data on the characteristics, needs, and demographics of these populations. A significant barrier to inclusion is the lack of data on vulnerable groups, including their demographics, specific needs, and experiences within the industry. Even for seemingly well-understood groups like women, knowledge gaps remain. For example, data is scarce on the specific challenges women face in different roles, geographical locations within the sector (e.g., access to childcare), and across the supply chain. As highlighted by a KII with an implementing partner representative, a critical issue is "the lack of women and ethnic minorities in decision-making positions, coupled with barriers to their promotion," underscoring the pressing need for more detailed and comprehensive data to address this multidimensional issue.

Leverage Points:

Expand Access to Beneficial Programs and Services (Access to Services) – *Medium Leverage Point*

Comprehensive data is necessary to ensure vulnerable groups have improved access to beneficial programs and services. By identifying data collection as a leverage point, interventions could focus on creating mechanisms for regular data gathering and sharing, thereby enabling more tailored and accessible services.

Strengthen Motivation for Inclusion Initiatives (Motivation/Mental Models) – *High Leverage Point*

Enhancing the motivation of decision-makers and stakeholders in the automotive sector to prioritize inclusion initiatives relies on demonstrating the value of detailed data. Initiatives could include awareness campaigns and evidence-based advocacy highlighting the benefits of inclusive practices backed by solid data.

Enhance Inclusive Service Delivery (Delivery to Services) – *Medium Leverage Point*

For services and programs within the automotive sector to be more inclusive, the delivery mechanisms themselves must be informed by detailed data. This may involve revising service delivery models based on data insights to better meet the specific needs of different groups, including considerations for geographical locations and specific challenges faced by women and ethnic minorities.

> **Emerging Good Practice:** Using SIDIL, a new artificial intelligence tool connected to the ECMS created under CALLE, inspections will be more data-driven and prioritized based on the risk levels of companies and sectors. This tool should greatly improve inspection planning and ensure STPS directs its limited resources toward the most critical inspections where violations are suspected.

4. CONCLUSION

This systems' evaluation underscores a unique juncture in Mexico, where labor reform and the USMCA, particularly through the RRM, have catalyzed a shift toward empowering workers. With robust support from ILAB's technical assistance, these reforms have notably impacted the automotive sector. However, the implementation of the labor reform has shown varied impacts across different regions and actors, indicating the complexity of achieving uniform progress.

While the labor reform has been pivotal, entrenched power dynamics of corporate unionism continue to loom large, complicating the transition to more democratic labor relations. Despite some unions and employers beginning to prioritize worker concerns more authentically, many employers remain comfortable with the traditional corporate unionism model. This resistance to change underscores the persistent cultural and structural barriers that challenge the progress of reforms. Workers and unions often prioritize job stability over advocating for improved labor conditions, and despite a loss of direct political ties, corporate unionism continues to wield substantial influence through institutionalized benefits.

ILAB's technical assistance, particularly in the organized automotive sector, has laid a foundation for demonstrating how targeted support could influence system actors and advance workers' rights. However, its impact, while significant, remains limited, particularly among SMEs within the auto parts sector. This initial impact highlights the need to extend efforts to include broader segments of the automotive supply chain and other industrial sectors.

To ensure the ongoing success and sustainability of labor reforms in Mexico—and of ILAB's technical assistance—it is crucial to broaden the scope and deepen the impact of interventions. Additional actors, including businesses not currently engaged with ILAB's assistance, emerging unions, and workers from all levels of the supply chain, must be actively involved. Special emphasis should be on extending assistance to SMEs and emphasizing the importance of compliance across the entire supply chain, recognizing that labor rights and compliance issues transcend individual sectors and have implications for global supply chains.

Effective enforcement of labor rights is essential for the success of these reforms. ILAB's continued support to strengthening labor enforcement bodies, such as the labor inspectorate and the CFCRL, is crucial. These institutions must be equipped with adequate resources, training, and authority to enforce labor laws rigorously and independently. This involves not only addressing violations but also proactively ensuring compliance through regular inspections and effective legal frameworks.

Moreover, the significant victories achieved through the agency[55] and determination of organized workers demonstrate their crucial role in securing genuine labor representation and fair working conditions in Mexico. Empowered workers, through independent and democratic unions, are key to driving systemic changes within companies and ensuring that safety regulations and labor rights are both implemented and enforced effectively. ILAB should continue to support and scale up these actions to sustain and amplify their impact.

A systemic approach to labor rights requires strengthening and empowering all relevant stakeholders to collaborate effectively. Promoting spaces for open dialogue, separate from

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[55] For a detailed definition of this systems-thinking term, please see this online glossary: Systems Thinking Glossary (systemsthinkingalliance.org)

claims or negotiations, is vital for achieving equitable discussions and fostering a collaborative environment for all parties involved. Continuous training and support are essential to ensure stakeholders can effectively navigate the new labor landscape and sustain the momentum of reform.

In conclusion, while significant progress has been made, ongoing challenges remain. **Continuous adaptation and strategic engagement are necessary to address the evolving challenges within Mexico's labor landscape, ensuring that labor reforms lead to meaningful and widespread improvements in worker rights and conditions.** This process will require persistent efforts to shift mental models and motivate all system actors toward a more equitable and just labor environment.

5. LESSONS LEARNED AND EMERGING GOOD PRACTICES

The automobile industry is a significant part of the Mexican economy, contributing 3.6 percent of the GDP and 18 percent of the manufacturing sector's GDP and providing jobs for over one million Mexicans.[56] Strengthening labor standards, enforcing labor commitments, and promoting racial and gender equity in this sector requires a multifaceted, systems-based approach. Below are the key lessons learned and emerging good practices garnered throughout this evaluation, reflecting four key learning themes: (1) knowledge and awareness raising, (2) preventing and addressing labor law violations, (3) compliance with labor laws and labor rights, and (4) capacity of system actors. For more detailed information and insights, refer to Annex G of the evaluation's series of learning briefs.

Shifting Mindset: Equipping Workers and Worker-Led Organizations with Knowledge and Awareness

The limited knowledge of labor laws and rights in Mexico's automotive sector poses challenges to worker safety and fair treatment. To address this, ILAB focuses on raising awareness and building knowledge among various stakeholders, including workers, employers, and government entities at the federal, state, and local levels. ILAB's awareness-raising efforts align with USMCA labor reforms, particularly in states like Baja California, Chihuahua, and Nuevo León. ILAB's technical assistance projects, such as the Mexico Awareness Raising Project (MAP) and initiatives targeting labor law enforcement and reform implementation, enhance understanding and compliance within the sector. As demonstrated by the key findings noted above, ILAB's emphasis on the importance of practical training, capacity building, and fostering trust among workers and employers has shifted the needle. Empowering stakeholders through education, tailored training, and inclusive outreach initiatives enhances labor rights awareness and enforcement, contributing to a safer and more equitable work environment. Emerging good practices include promoting gender equality and refining labor policies through local actor collaboration.

Fueling Innovation: Addressing Labor Law Violations

Protecting workers' rights is essential for the success of Mexico's automotive industry, requiring robust enforcement of labor laws to ensure safe, non-discriminatory, and fair working conditions. ILAB supports this through initiatives like the CALLE project, which provides technical assistance, tools, and training to enhance labor inspections and address violations. The evaluation's findings highlight the importance of prioritizing worker safety, leveraging the RRM, and integrating technological innovations to improve labor inspections. Key emerging good practices reflected in ILAB's strategies include fostering collaboration among system actors, enhancing transparency, and promoting compliance through effective enforcement. By investing in capacity building and technological advancements, ILAB aims to create a more resilient and equitable labor environment, benefiting both workers and the broader automotive sector.

Accelerating Progress: Promoting Compliance with Labor Laws and Rights

ILAB is committed to enhancing labor law compliance and upholding workers' rights in Mexico's automotive sector through systematic changes and various initiatives. ILAB focuses on creating mechanisms that safeguard labor rights, raise awareness, and enhance capacities for industry-wide compliance. This involves both top-down enforcement by the Mexican government and bottom-up efforts by employers, unions, and workers. A key aspect of ILAB's strategy is fostering

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[56] International Trade Administration. "Mexico's Automotive Industry" (https://www.trade.gov/country-commercial-guides/mexico-automotive-industry).

binational collaboration, particularly through the RRM, to strengthen labor rights advocacy across borders. Despite challenges in accessing corporate information, ILAB promotes transparency and accountability through cultural shifts within the corporate sector, improved dialogue, and the use of digital platforms. Key lessons learned include the importance of binational collaboration, employer-union dialogue, broadening knowledge of labor rights, promoting transparency, and capacity building for key actors. Emerging good practices include fostering worker collaboration across North America, awarding companies adhering to human rights standards, strengthening information access through worker centers, and implementing digital platforms for transparency.

In the Driver's Seat: Strengthening the Capacity of System Actors

ILAB is dedicated to empowering diverse system actors within Mexico's labor landscape and enhancing compliance with labor laws through technical assistance initiatives. ILAB's efforts have been pivotal in cultivating a more knowledgeable and engaged workforce and facilitating the development of democratic unions, fostering transparency and representation. Key projects such as CALLE and Engaging Mexico's Auto Sector Employers in Labor Law Reform Implementation highlight ILAB's commitment to supporting system actors in effectively enforcing labor laws and advancing workers' rights. The Casas Obreras centers, under the Engaging Workers and Civil Society to Strengthen Labor Law Enforcement project, exemplify this impact by empowering laborers through legal knowledge and support for independent union formation. Key insights from ILAB's initiatives emphasize the importance of enhancing union organizational capacity, encouraging active participation in collective bargaining, promoting democratic practices, and providing legal representation to protect workers. Emerging good practices include tailored services for SMEs and leveraging supply chain dynamics to enforce labor standards, showcasing ILAB's strategic approach to fostering a fairer labor environment in Mexico's automotive sector.

6. KEY RECOMMENDATIONS

The recommendations presented herein are the culmination of thorough data collection conducted during the systems' evaluation and engaging with diverse stakeholders. Refined and prioritized through validation workshops, this list encapsulates the top nine actions, in order of priority, as identified by the participating system actors. These reflect their invaluable feedback and insights. Additionally, the final recommendation represents a direct contribution from the evaluation team, aimed at addressing critical findings and bolstering the efficacy of ongoing and future ILAB initiatives.

Table 4: Recommendations and Supporting Evidence/Results

Recommendation	Evidence/Results	Addressed to
1. Knowledge Transfer and Capacity Building **Comprehensive Training and Education:** To bolster the impact of ILAB's interventions, targeted training and education is critical for both workers and employers. This strategy should inform and provide participants with practical skills for real-world challenges. For Workers: **Broaden Labor Rights and Negotiation Training:** Expand the scope of training on labor rights and negotiation tactics to include more workers, particularly women and those in priority USMCA sectors. Enhance the training methodology to utilize practical, real-life scenarios and examples to illustrate rights and responsibilities under the new labor laws and tailor teaching methodologies to be contextually relevant by state and by sector where applicable. Seek collaboration with unions and worker organizations to ensure the training's effectiveness and direct applicability to the workers' experiences. Emphasize human rights as a core component of labor rights, thereby ensuring that the training is enduring and can be replicated across various contexts.	**Results** 3.1.2. Demand for Comprehensive and Practical Training in Labor Rights	ILAB Grantees: SC through labor centers Government of Mexico (GOM): Ministry of Labor and Social Welfare (STPS) through the Distance Training Program for Workers (PROCADIST)
For Employers: **Enhance Training Programs:** Continue and expand training programs for employers, with a special focus on compliance, fostering social dialogue, and facilitating democratic practices during collective contract consultations. This approach ensures that the negotiation process for collective contracts is inclusive, participatory, and fair, actively engaging workers. Target key groups such as human resources personnel and middle and upper management to maximize impact. Highlight the significance of labor rights as human rights in all workplace interactions. Incorporate practical, real-life scenarios and examples to illustrate rights and responsibilities under the new labor laws.		Grantees: PADF, POA Employers and private sector (including multinational corporations that source from Mexico)

Recommendation	Evidence/Results	Addressed to
2. *Gender Equity and LGBTQIA+ Participation* **Combat Discrimination through Inclusive Approaches:** Implement initiatives to promote a more inclusive approach to gender diversity, actively involving women and the LGBTQIA+ community in union activities, particularly heading commissions and leadership positions within companies. **Promote Gender Perspective in Negotiations:** Encourage negotiations and the formulation of labor policies that are informed by gender perspectives, recognizing the unique challenges and contributions of individuals based on their gender identity. Develop and implement policies within unions tailored to meet the specific needs arising from gender differences, fostering a supportive and equitable workplace. **Foster a Cultural Shift Toward Inclusivity:** Drive a cultural transformation that champions gender inclusivity both in the professional and personal spheres, ensuring equitable opportunities for leadership roles irrespective of gender (both for employers as well as for workers). Central to this shift is masculinity training—an innovative approach that promotes healthy masculinity and fosters attitudes and practices reflecting values of equality, respect, collaboration, and allyship with women.[57] This training plays a pivotal role in dismantling entrenched stereotypes and barriers to gender equity.	**Results** 3.2.4 Focus on Gender Equity in Unions	ILAB Grantees GOM: National Institute for Women (INMUJERES), CFCRL National Council to Prevent Discrimination (CONAPRED) Ministry of Labor and Social Welfare (STPS) Employers and private sector Law firms Unions Labor centers
3. *Autonomous and Independent Union Training* **Support Union Training:** Initiate and expand training programs that champion autonomy, internal democracy, and effective negotiation within unions. Crucially, this effort should encompass not only the support and development of newly formed independent unions but also actively involve existing unions in undergoing transformation. The aim is to instill principles of fairness, transparency, and democratic participation across the board, ensuring every union fully embraces and practices these essential values.	**Results** 3.2.1. Development of Independent Unions 3.2.2. Advancements in Union Organization and Representation	ILAB Grantees: SC GOM: Ministry of Labor and Social Welfare (STPS) through the National Joint Committee for Salary Protection (CONAMPROS) Universities and labor centers

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[57] For further information, please see this manual: Engaging Men for Gender Equality | Engendering Industries | U.S. Agency for International Development (usaid.gov)

| Recommendation	Evidence/Results	Addressed to
4. *Interinstitutional Coordination Improvement* **Strengthen Legal Mechanisms for Collaboration:** Enhance collaboration among government agencies, labor oversight institutions, and regulatory bodies to effectively implement labor laws. Introduce robust legal mechanisms that ensure consistent application and continuity of these collaborations, even through government transitions.	**Results** 3.3.4. Enforcement of Sanctions for Labor Violations	ILAB Grantees GOM: Ministry of Finance and Public Credit (SHCP), CFCRL Ministry of the Interior Ministry of Labor and Social Welfare (STPS)
5. *Multi-Stakeholder Collaboration Strengthening* **Enhance Coordination Structures:** Promote the development of multi-stakeholder (expanding beyond the traditional tripartite model) coordination platforms, such as online forums, working groups, or even conferences, that include government (federal and state), unions, non-union workers, labor centers, NGOs, and employers. Focus on utilizing existing spaces to avoid duplication and ensure that these platforms comprehensively address labor challenges. Special attention should be paid to balancing power dynamics to ensure all parties, especially workers, have equal influence and that their concerns are thoroughly represented.		ILAB Grantees GOM (federal and state), including CFCRL Employers and private sector
6. *Enhance the Enforcement of Effective and Fair Sanctions* **Strengthen the Enforcement of Sanctions:** Ensure the sanction system is rigorous, equitable, and effectively enforced to maintain compliance with labor regulations. This requires a focus on clarifying and defining applicable sanctions, detailing their application scenarios, and bolstering robust enforcement agencies equipped to inspect and enforce the law diligently.		GOM: Ministry of Labor and Social Welfare (STPS) Ministry of Finance and Public Credit (SHCP) Ministry of the Interior Law firms, lawyer's associations, or bar associations
7. *Ongoing Education and Awareness* **Launch Long-Term Education Programs:** Develop and implement comprehensive education programs that use clear, accessible language and combine innovative technologies and platforms with traditional outreach methods like broadcast outlets such as radio, podcasts, television, etc. These programs should aim to increase awareness about labor rights and obligations under new labor laws, targeting both workers and employers. Importantly, ensure the sustainability of these educational resources by requiring that authorities maintain and regularly update these platforms beyond the initial phases of support.	**Results** 3.1.1. Advancements in Awareness and Knowledge of Labor Laws and Rights	GOM: Ministry of Labor and Social Welfare (STPS) through the PROCADIST and CFCRL Labor centers

Recommendation	Evidence/Results	Addressed to
8. Strengthening of Labor Inspections **Prioritize Labor Inspection Training and Strengthening:** Enhance the capacity and effectiveness of labor inspections by focusing on comprehensive training and empowerment for inspectors. Invest in their professional development, integrating specialized training in gender equity and occupational safety to ensure a well-rounded approach. **Support State-Level Inspections:** Recognize that state-level inspections require substantial support in terms of training and resources. Collaborate with local authorities to implement a comprehensive program that amplifies inspection efforts, utilizing technological tools such as electronic case management systems to enhance efficiency and extend reach.	**Result** 3.3.3. Support for Labor Inspection as a Compliance Tool	GOM: Ministry of Labor and Social Welfare (STPS) ILAB
Resource Allocation: It is crucial that the government not only increases the number of inspectors but also ensures they are fairly compensated. Fair pay is essential for maintaining the integrity and motivation of the inspection workforce. Adequate compensation helps deter corruption and promotes a more diligent and ethical approach to labor inspections. This commitment to resource allocation should encompass expanding the workforce, instituting competitive salaries, enhancing their capabilities, and equipping them with the necessary technological tools. This includes funding for hiring additional staff and for the professional development of current inspectors, ensuring they are fully equipped to handle the complexities of labor law enforcement effectively.		GOM: Ministry of Finance and Public Credit (SHCP); Ministry of Labor and Social Welfare (STPS)

Recommendation	Evidence/Results	Addressed to
9. Promotion of Occupational Safety and Health **Implement Comprehensive Safety Initiatives:** Focus on enhancing workplace safety, especially in the use of machinery, by promoting safe practices and establishing a culture of safety and health that permeates all levels of the organization. To successfully achieve this: • **Integrate Social Dialogue:** Strengthen the connection between safety and health initiatives and social dialogue. Utilize safety and health committees as effective platforms for implementing these improvements, ensuring that they facilitate comprehensive engagement and actionable outcomes. • **Enhance Skills through Training Collaborations:** Collaborate with training and development organizations to continuously upgrade skills related to workplace safety and health. This partnership aims to ensure that all workforce levels are competent in maintaining and improving safety standards. • **Strengthen Enforcement of Safety Regulations:** Collaborate with regulatory bodies and enforcement agencies to ensure strict adherence to workplace safety standards. Implement a system for monitoring and reporting safety violations, with clear consequences for non-compliance.	**Result** 3.3.1. Progress and Challenges in Employment Conditions and Health and Safety	GOM: Ministry of Labor and Social Welfare (STPS); Mexican Social Security Institute (IMSS) ILAB

Recommendation	Evidence/Results	Addressed to
10. Development of a Strategic Country Framework While OTLA has a strategy for the USMCA Labor Law Reform, it is important to develop an ILAB-wide strategic country framework for Mexico. This framework should outline ILAB's objectives across various sectors and delineate clear, actionable goals tailored to the unique challenges and opportunities within each sector. Serving as a roadmap for ILAB's engagement in Mexico, the framework would ensure a systemic approach to programming and maximize impact. Key elements for this framework could include: • **Sector-Specific Goals:** Define precise objectives for enhancing labor rights within critical economic sectors.[58] • **Systemic Programming Approach:** Outline strategies for integrated stakeholder actions, emphasizing early coordination and collaboration among labor actors to achieve integrated, coherent, and widespread impact. • **Long-Term Vision:** Establish a forward-looking plan that addresses current labor issues while preparing for future challenges, ensuring sustainable development. • **Stakeholder Engagement Plan:** Describe methods for engaging a broad spectrum of stakeholders, including government agencies, unions, employers, civil society, and academia, to create a unified effort.	This is a recommendation by the evaluation team based on a comprehensive analysis of fieldwork data and secondary sources.	ILAB

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[58] If specificity per sector is not feasible at this stage, it would still be beneficial for ILAB to clearly articulate its theory of change and long-term objectives. This would enable the design of future initiatives from a systems perspective, ensuring that they are strategically aligned and cohesive. By establishing a clear framework of goals, approaches, and stakeholders to engage with, initiatives can be more effectively planned to meet the broad and specific needs within the USMCA priority sectors.

ANNEX A. ILAB'S THEORY OF SUSTAINED CHANGE
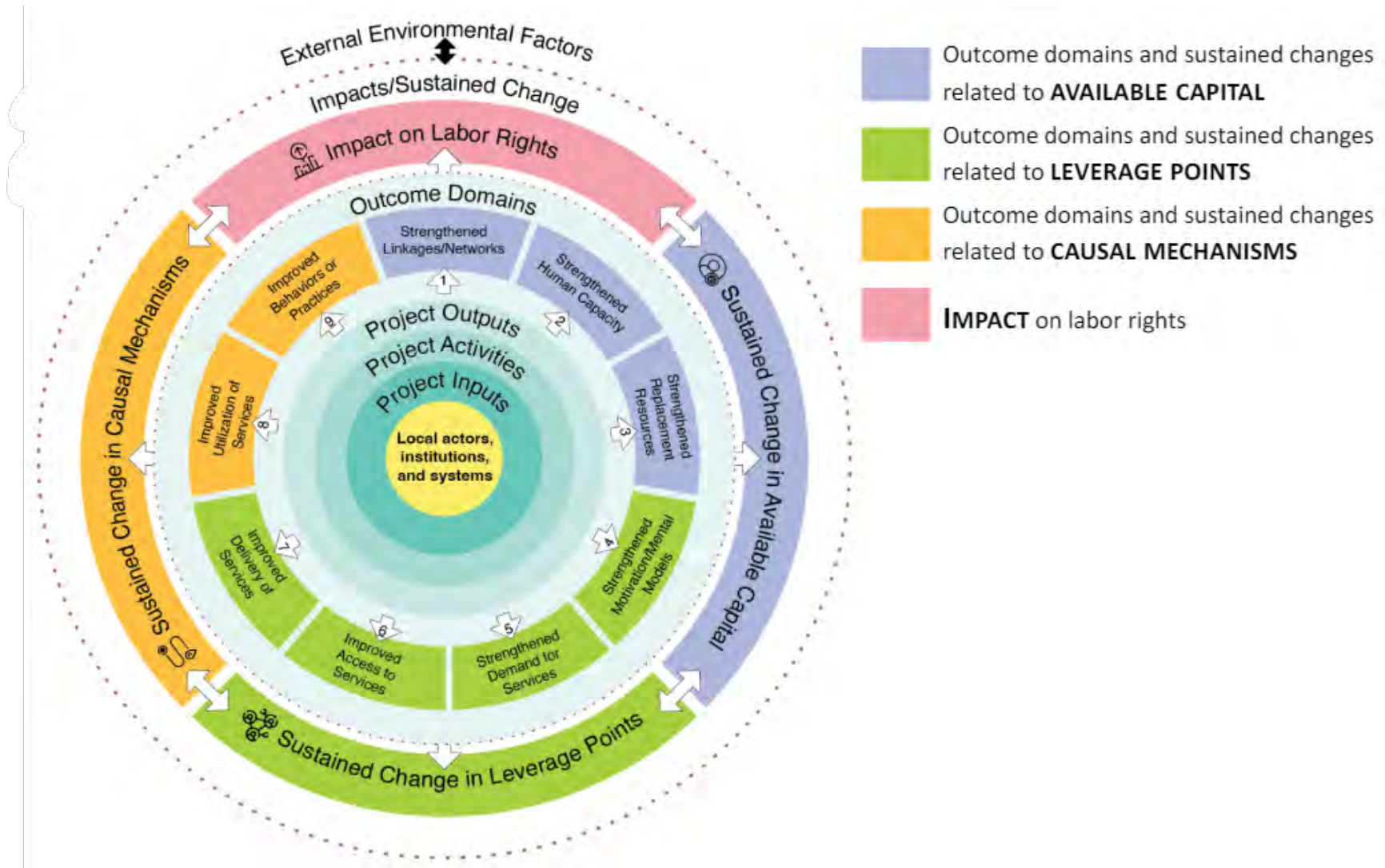
ANNEX B. MEXICO AUTOMOTIVE SECTOR THEORY OF CHANGE

MEXICO AUTOMOTIVE THEORY OF CHANGE

Sphere of Influence · Sphere of Interest · Sphere of Control

Outputs

FEDERAL LEVEL
- Coordination of Enforcement Bodies
- Awareness of Labor Laws and Labor Rights
- Quality of Labor Inspections
- Prevent and Address Labor Law Violations

STATE LEVEL
- Awareness of Labor Laws and Labor Rights
- Quality of Labor Inspections
- Prevent and Address Labor Law Violations
- Labor Mechanisms to Protect and Foster Rights

LOCAL LEVEL
- Advocacy and Representation
- Capacity Strengthening
- Understanding of Labor Laws and Labor Rights
- Labor Mechanisms to Protect and Foster Rights

Available Capital — **Leverage Points** — **Causal Mechanisms**

Sphere of Interest · Sphere of Control · Sphere of Influence
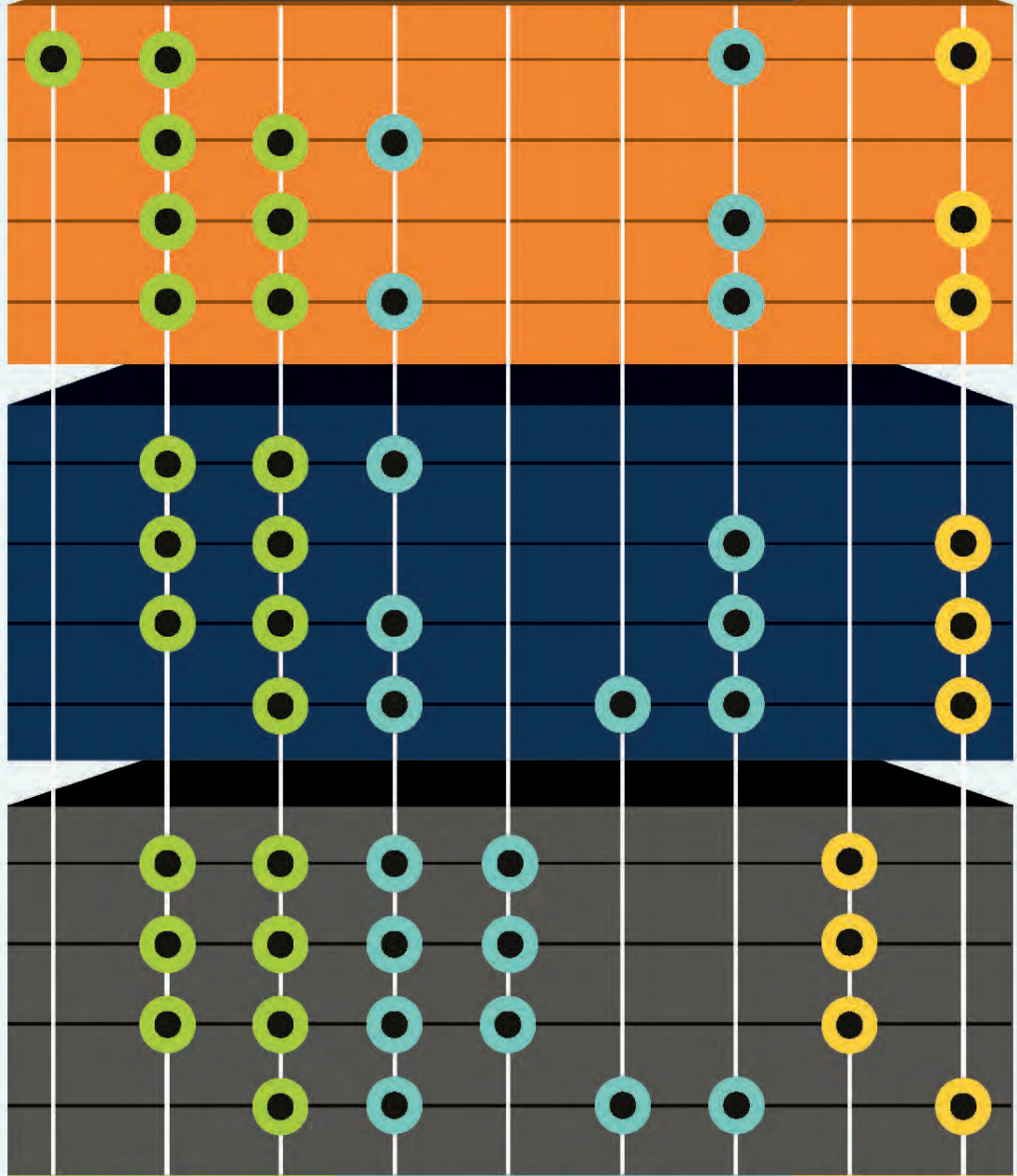
Outcomes and Outcome Domains

1. Linkages/Networks
2. Human Capacity
3. Replacement Resources
4. Motivation/Mental Models
5. Demand for Services
6. Access to Services
7. Delivery of Services
8. Utilization of Services
9. Behaviors and Practice

Outcomes and Outcome Domains

Sphere of Interest / Sphere of Control / **Sphere of Influence**

Available Capital

1 Linkages/Networks — Strengthen the Federal and State-level coordination associated with the enforcement and implementation of labor inspections to support systemic improvements in workers' rights

2 Human Capacity — Strengthen the human capacity of the Government of Mexico, labor unions, worker organizations, and confederations, media outlets, academia, employers, and workers to advance systemic improvements in workers' rights, particularly related to the compliance with labor laws, including the enforcement and implementation of labor inspections

3 Replacement Resources — Strengthen replacement resources associated with systemic improvements in workers' rights

Leverage Points

4 Motivation/Mental Models — Strengthen the Government of Mexico, labor unions, worker organizations, and confederations, media outlets, academia, employers, and workers' motivation to adopt behaviors, institutionalize practices, utilize, deliver, or access services, benefits, protections, or programs associated with improved workers' rights

5 Demand for Services — Strengthen labor unions, worker organizations, and confederations, employers, and workers' demand for services, benefits, protections, or programs associated with improved workers' rights

6 Access to Services — Improve Government of Mexico, labor unions, worker organizations, and confederations, employers, and workers' access to tools, services, benefits, protections, or programs associated with improved workers' rights

7 Delivery of Services — Improve the Government of Mexico, labor unions, worker organizations, and confederations, and employers' supply or improved delivery of services, programs or duties associated with improved workers' rights

Causal Mechanisms

8 Utilization of Services — Improve labor unions, worker organizations, and confederations, employers, and workers' utilization of services or processes associated with improved workers' rights

9 Behaviors and Practice — Improve the Government of Mexico, labor unions, worker organizations, and confederations, media outlets, academia, employers, and workers' adoption of behaviors or practices associated with improved workers' rights

Sustained Change and Impact

Sphere of Control / Sphere of Influence / **Sphere of Interest**

- Freedom of association and the effective recognition of the right to collective bargaining
- The elimination of all forms of forced of compulsory labor
- The effective abolition of child labor
- The elimination of discrimination in respect of employment and occupation
- A safe and healthy working environment

FINISH

ILAB

DEVTECH

ANNEX C. LIST OF DOCUMENTS REVIEWED

ID	Implementer	Document Title	Document Type	Year/date
AIR 01	AIR	Compliance in Auto parts through Labor Law Enforcement	Project Document	2021
AIR 02	AIR	list and description	Project Document	No Data
AIR 03	AIR	Pantallas dashboards	Project Document	No Data
AIR 04	AIR	Capturas de capacitación sobre la plataforma SIAPI y SIPAS	Project Document	2023
AIR 05	AIR	Manual De Proceso Para La Elaboración O Actualización De Protocolos De Inspección Para La Secretaría Del Trabajo Y Previsión Socia	Project Document	No Data
AIR 06	AIR	Protocolo de inspección laboral con género	Project Document	2023
AIR 07	AIR	Inspección en materia de subcontratación laboral: Hallazgos de los materiales compartidos y propuestas	Project Document	2023
AIR 08	AIR	Diplomado De Inspeccion Del Trabajo	Project Document	2023
AIR 09	AIR	Database_Diplomado	Project Document	No Data
AIR 10	AIR	Resultados del diplomado [Cohort 1]	Project Document	2023
AIR 11	AIR	Resultados del diplomado [Cohort 2]	Project Document	2022
AIR 12	AIR	Resultados del diplomado [Cohort 3]	Project Document	No Data
AIR 13	AIR	Modification Package #1	Contractual	2021
AIR 14	AIR	Award Modification / Notice of Award (Mod 2)	Contractual	2022
AIR 15	AIR	Modification Package (Mod 3)	Contractual	2022
AIR 16	AIR	Technical Progress Report [2020-Q2]	TPR	2020
AIR 17	AIR	Technical Progress Report [2020-Q3]	TPR	2020
AIR 18	AIR	Technical Progress Report [2020-Q3&Q4]	TPR	2020
AIR 19	AIR	Technical Progress Report [2021-Q1&Q2]	TPR	2021
AIR 20	AIR	Technical Progress Report [2021-April 1, 2021 to September 30, 2021]	TPR	2021
AIR 21	AIR	Technical Progress Report [April 2022]	TPR	2022
AIR 22	AIR	Technical Progress Report [2022-Q3&Q4]	TPR	2022
AIR 23	AIR	Technical Progress Report [2023-Oct-Mar23]	TPR	2023
AIR 24	AIR	Acuerdo de Confidencialidad y no divulgación de la información IMPAQ_STPS	Contractual	2021

ID	Implementer	Document Title	Document Type	Year/date
AIR 25	AIR	Confidentiaity and NonDisclosure Agreement IMPAQ_STPS	Contractual	2021
AIR 26	AIR	Carta de Colaboración IMPAQ firmada	Contractual	2021
AIR 27	AIR	Letter of Collaboration	Contractual	2021
AIR 28	AIR	Assessment of Challenges to Labor Inspection in the Mexican Auto Parts Sector	M&E	2021
AIR 29	AIR	Updated Performance Monitoring Plan	M&E	2022
AIR 30	AIR	CALLE Project ECMS	Project Document	2022
AIR 31	AIR	Ecosistema Inspectivo	Project Document	No Data
AIR 32	AIR	Technical Progress Report [April 2023 to September 2023]		No Data
PADF 01	PADF	Engaging Mexico's Auto Sector Employers in Labor Law Reform Implementation	Project Document	No Data
PADF 02	PADF	Copy of Annexes	M&E/Project document	No Data
PADF 03	PADF	PADF_Budget_Jun 2021	Budget	No Data
PADF 04	PADF	Annexes	M&E/Project document	No Data
PADF 05	PADF	PADF Budget Jun 2021	Budget	2021
PADF 06	PADF	Engaging Mexico's Auto Sector Employers in Labor Law Reform Implementation	Project Document	2021
PADF 07	PADF	Abstract/Engaging Mexico's Auto Sector Employers in Labor Law Reform Implementation Developed by the Pan American Development Foundation (PADF)	Proposal	No Data
PADF 08	PADF	Workplan	Proposal	No Data
PADF 09	PADF	Workplan	Proposal	No Data
PADF 10	PADF	Sustainability Strategy	Proposal	No Data
PADF 11	PADF	Relevant Grant and Contract Experience	Proposal	No Data
PADF 12	PADF	Tech narrative	Proposal	2020
PADF 13	PADF	Technical Progress Report_01 [November 1, 2020 to March 31, 2021]	TPR	2021
PADF 14	PADF	Technical Progress Report_02 [April 1, 2021 to September 30, 2021]	TPR	2021
PADF 15	PADF	Technical Progress Report_03 [October 1, 2021 to March 31, 2022]	TPR	2022
PADF 16	PADF	Technical Progress Report_04 [April 1, 2022 to September 30, 2022]	TPR	2022
PADF 17	PADF	Technical Progress Report_05 [October 1, 2022 to March 31, 2023]	TPR	2023

ID	Implementer	Document Title	Document Type	Year/date
PADF 18	PADF	Reporte Encuesta Termómetro Cumplimiento Laboral en la Industria Automotriz	Project Document	2022
PADF 19	PADF	Diagnóstico de la situación laboral en el sector automotriz en el Estado de México, Guanajuato y San Luis Potosí - PADF	Project Document	2021
PADF 20	PADF	Technical Progress Report [April 2023 to September 2023]		No Data
POA 01	POA	Monitoreo en redes sociales	Project Document	2023
POA 02	POA	POA MAP ANEXOS Estudio línea de base cualitativo	M&E	No Data
POA 03	POA	Qualitative Analysis Of The Knowledge, Attitudes And Practices Of Workers, Union Leaders, And Employers Regarding The 2019 Labor Reform In Mexico Executive Summary	M&E	No Data
POA 04	POA	Análisis Cualitativo De Los Conocimientos, Actitudes Y Prácticas De Las Personas Trabajadoras, Líderes/As Sindicales Y Personas Empleadoras Sobre La Reforma Laboral De 2019 En México	M&E	No Data
POA 05	POA	Informe de resultados sobre "Consultoría para el mapeo y la priorización de los esfuerzos comunicacionales de la Secretaría del Trabajo y Previsión Social (STPS) para la difusión de la Reforma Laboral en México".	M&E	No Data
POA 06	POA	Consultancy for the Mapping and Prioritization of Communications Efforts by the STPS for the Dissemination of the 2019 Mexican Labor Reform	M&E	No Data
POA 07	POA	PMP	M&E	2023
POA 08	POA	Mexico Awareness Raising Performance Monitoring Plan	M&E	
POA 09	POA	Risk and Sustainability Matrix	Project Document	2021
POA 10	POA	Sustainability Strategy and Risk Management Plan	Project Document	2021
POA 11	PAO	Project Document Narrative	Project Document	2021
POA 12	POA	Technical Progress Report [April 2023 to September 2023]	TPR	2024
SC 01	SC	PROJECT REVISION FORM	Contractual	2021
SC 02	SC	Project Document Package	Project Document	2021

ID	Implementer	Document Title	Document Type	Year/date
SC 03	SC	Project Document Package [REVISED]	Project Document	2021
SC 04	SC	Workplan	Project Document	2021
SC 05	SC	Information on Proposed Subawards	Proposal	2021
SC 06	SC	Revised PMP	M&E	2021
SC 07	SC	Monitoring, Evaluation, and Learning Plan	M&E	2020
SC 08	SC	Apartado Iii: Mapeo De Condiciones Sociolaborales De Los Sectores Automotriz, Aeronautica Y Call Center En Los Estados Del Proyecto "Vinculando A Las Y Los Trabajadores Y A La Sociedad Civil Para Fortalecer La Implementación De La Legislación Laboral: México"	Project Document	2021
SC 09	SC	Technical Progress Report [October 1, 2021 – March 31, 2022]	TPR	2022
SC 10	SC	DOL Risk Probability Matrix and Register	Project Document	No Data
SC 11	SC	Chapter III. Social And Labor Mapping Of Sectors And States Of The Project	Project Document	2021
SC 12	SC	Result Framework	M&E	2021
SC 13	SC	Data Tracking Table	M&E	
SC 14	SC	Technical Progress Report [April 1, 2022 – September 30, 2022]	TPR	2022
SC 15	SC	Technical Progress Report [October 1, 2022 – March 31, 2023]	TPR	2023
SC 16	SC	Informe Final	Project Document	No Data
SC 17	SC	Interim Evaluation	M&E	2022
SC 18	SC	Solidarity Center Mexico Strategy 2022 - 2028	Project Document	2023
SC 19	SC	SC Mexico Evaluation Stakeholder List_ C oct 13	Stakeholder List	No Data
SC 20	SC	Technical Progress Report [April 2023 to September 2023]		No Data
Research and Policy	General	INTERNATIONAL TRADE USTR Should Improve Coordination on New Automotive Rules of Origin	Policy Document	2024
Research and Policy	General	REPORT ON LABOR MONITORING AND ENFORCEMENT UNDER USMCA	Policy Document	2024
Research and Policy	General	Worker Voice: A Literature Review Center for Global Workers' Rights The Pennsylvania State University	Literature review	2023

ID	Implementer	Document Title	Document Type	Year/date
Research and Policy	General	Worker Voice: What it is, what it is not, and why it matters Center for Global Workers' Rights The Pennsylvania State University	Research	2023

ANNEX D. EVALUATION ITINERARY, OVERVIEW OF DATA COLLECTION

OVERVIEW OF DATA COLLECTION ACTIVITIES

NOVEMBER

Launch Data Collection

In-Person and Remote Data Collection

Mexico City Morelos San Luis Potosí Guanajuato

DECEMBER

Remote Data Collection Continues

JANUARY

FEBRUARY

Conclude Data Collection

49 Key Informant Interviews

73 Respondents

28 Focus Group Discussions

106 Participants

- Between November 2023 to February 2024, the team has carried out 77 activities and gathered primary qualitative data from 179 respondents.

- The in-person data collecting began on November 9th and concluded on November 30th, 2023.

- The collecting of remote data began on November 10 and continued until February 2024.

STAKEHOLDER DISTRIBUTION

■ **Academia, CSOs, Media Outlets & Other Relevant Stakeholders** (16%)
 FGDs: 3
 KIIs: 12

■ **Business Associations:** (14%)
 FGDs: 3
 KIIs: 5

■ **Grantee and Implementing Partners:** (16%)
 FGDs: 7
 KIIs: 1

■ **Host-Country Government:** (15%)
 FGDs: 4
 KIIs: 8

■ **Labor Unions:** (25%)
 FGDs: 8
 KIIs: 8

■ **US & Canadian Government:** (8%)
 KIIs: 7

■ **Workers/Worker groups/Worker Organizations and Confederations:** (6%)
 FGDs: 3
 KIIs: 3

GEOGRAPHIC DISTRIBUTION

San Luis Potosí
6 FGDs; 1 KII

Guanajuato
3 FGDs; 2 KIIs

Estado de Mexico
1 FGD

Mexico City
10 FGDs; 16 KIIs

Morelos
1 FGD
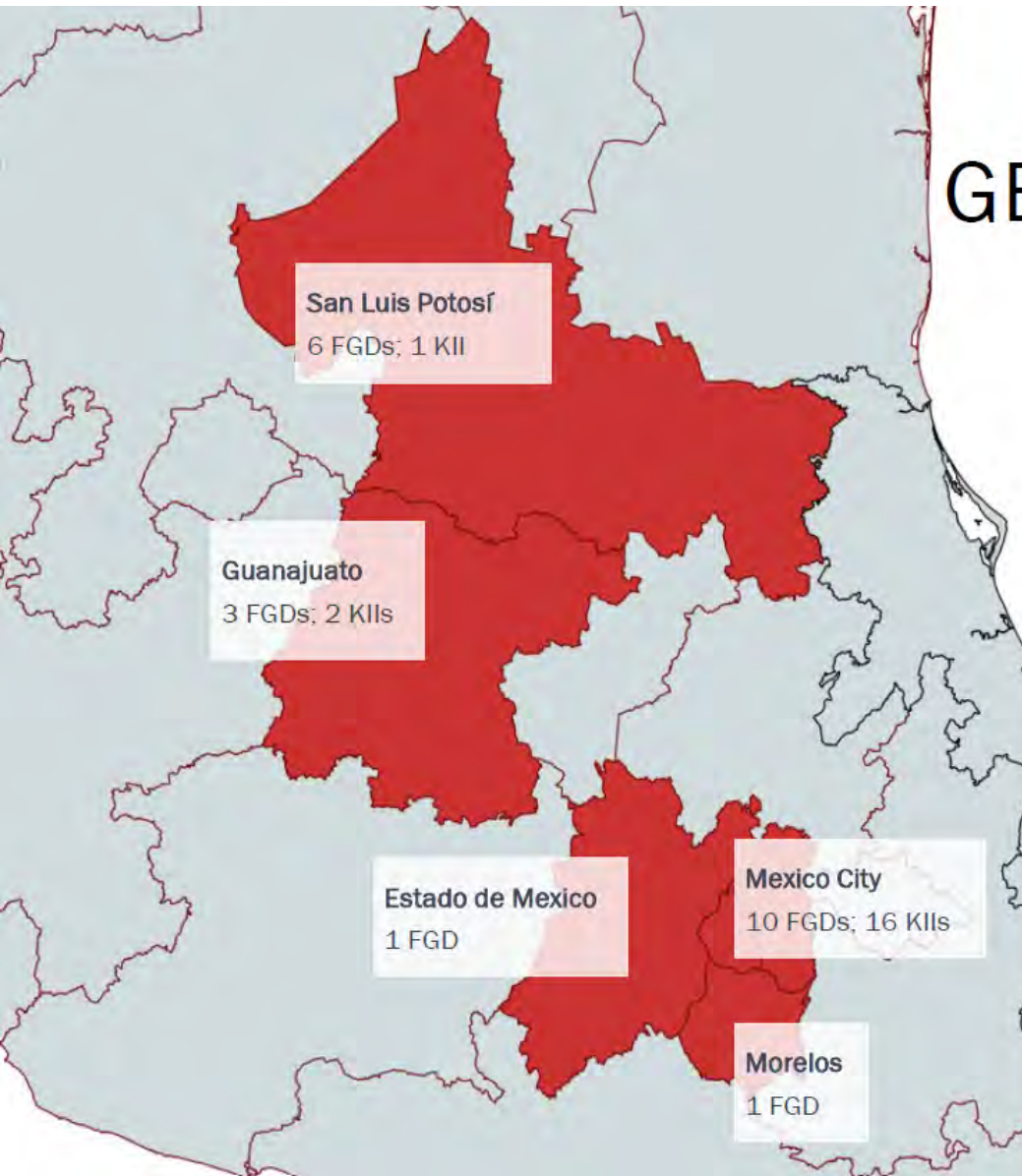
- 52% of the data collection activities were conducted in-person (24 FGDs-94 and 19 KIIs-22 participants)

- Almost two-thirds of participants have participated in face-to-face interviews or group discussions (116 out of 179)

ANNEX E. STAKEHOLDER WORKSHOP AGENDA

Stakeholder Validation Workshop [For Morning Sessions]
9:00 am – 12:00 pm

TIME	ACTIVITY TITLE	DESCRIPTION	PRESENTER/ FACILITATOR	MATERIALS
9:00 AM - 9:10 AM	Icebreaker	Facilitate a short icebreaker to get to know each other better and set the tone for the day.	Evaluation Team	Name tags
9:10 AM - 9:20 AM	Introduction & Overview	Introduce the facilitators and the workshop's purpose, emphasizing its role in the broader system-level automotive sector evaluation, and provide an overview of the methodology.	Evaluation Team	PowerPoint Slide Deck
9:20 AM – 11 AM	Validation of Preliminary Findings	Provide an overview of the main findings/key takeaways, emphasizing systemic trends and patterns, followed by group discussions to elicit feedback on the preliminary results. **Structure:** Two tables with simultaneous discussions on the same topic area, rotating every 20 minutes. Each topic discussion includes a 5-minute presentation of findings, followed by a 15-minute focused discussion for gathering feedback. Facilitators will use targeted guiding questions to steer the discussions, ensuring that feedback is comprehensive and pertinent to each topic area. Topic areas for this session will be selected based on an in-depth analysis that highlights the most significant trends, themes, and emerging issues. This selection is intentionally crafted to focus on topics that are fundamental to understanding the automotive sector's ecosystem.	Facilitator 1 and Facilitator 2 alternating between tables	PowerPoint Slides, flipcharts with takeaways/findings, color-coded post-it notes, pens

TIME	ACTIVITY TITLE	DESCRIPTION	PRESENTER/ FACILITATOR	MATERIALS
11:00 AM – 11:15 AM	Coffee Break		All	Refreshments
11:15 AM - 11:35 AM	Prioritization of Recommendations	Individual exercise for participants to prioritize evaluation recommendations. Each participant will receive a form listing the recommendations. They will rate the priority level of each, and can add their own recommendations, provided they are directly linked to the preliminary findings discussed earlier.	All	Recommendations Form, Pens
11:35 AM - 11:50 AM	Discussion of Recommendations	Plenary session to discuss the recommendations. Assess how well these recommendations resonate with participants' needs and expertise, their feasibility, and alignment with earlier findings.	Evaluation Team	Note-taking materials
11:50 AM – 12:00 M	Wrap-Up and Next Steps	Q&A, key take-aways, and next steps. Emphasize how these insights will inform the evaluation of the overall system and potentially shape future strategies in the automotive sector or in other priority sectors in Mexico.	Evaluation Team	PowerPoint Slide Deck

ANNEX F. TERMS OF REFERENCE, METHODOLOGY, AND LIMITATIONS

BACKGROUND AND JUSTIFICATION

The Bureau of International Labor Affairs (ILAB) leads the U.S. Department of Labor's (DOL) efforts to ensure that workers around the world are treated fairly and are able to share in the benefits of the global economy. ILAB's mission is to strengthen global labor standards, enforce labor commitments among trading partners, promote racial and gender equity, and combat international child labor, forced labor, and human trafficking.

The mission of the Office of Trade and Labor Affairs (OTLA) is to work to ensure that U.S. trade agreements are fair for American workers and workers around the world. OTLA uses all available tools – including negotiating strong labor provisions in U.S. trade agreements and preference programs, monitoring for compliance, enforcing trade agreement and preference program commitments, and sharing technical expertise – to make sure that U.S. trade partners fulfill their promises and play by the rules, and that American workers are able to compete on a level playing field.

ILAB is responsible for monitoring and engaging with Mexico and Canada regarding their labor commitments United States-Mexico-Canada Agreement (USMCA). The USMCA implementing legislation includes $180 million for USMCA-related technical assistance projects to help the Government of Mexico meet its labor obligations. OTLA funds projects to support the Government of Mexico to implement its labor reform, strengthen labor standards to protect workers, promote acceptable conditions of work, and address risks of child labor and forced labor.

ILAB has contracted with DevTech Systems, Inc. (DevTech) to conduct a systems evaluation of its technical assistance portfolio in the Automotive Sector in Mexico. To inform the evaluation, the evaluation team will engage with a variety of system actors and draw insights from four illustrative projects to assess ILAB's technical assistance portfolio.

The present terms of reference (TOR) serve as the framework and guidelines for the systems evaluation. This evaluation approach will be in accordance with DOL's Evaluation Policy[59], aligning with the Theory of Sustained Change (TOsC) for ILAB's worker rights programs.[60] ILAB is committed to using the most rigorous methods applicable for this systems evaluation and to learning from the evaluation results. The evaluation will be guided by a range of criteria, including, but not limited to, the Organization for Economic Co-operation and Development (OECD) Development Assistance Committee (DAC) criteria of Relevance, Coherence/Alignment, Effectiveness, Efficiency, Impact (to the extent possible), and Sustainability.[61] A broader set of evaluation criteria or domains may also be considered as relevant to uncovering the key learning objectives at the systems level.[62] DevTech will strive

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[59] U.S. Department of Labor Evaluation Policy.
[60] https://www.dol.gov/sites/dolgov/files/ILAB/TOsC-Guidebook-March-Updates-032723-Clean-508.pdf
[61] These criteria stem from Better Criteria for Better Evaluation: Revised Evaluation Criteria Definitions and Principles for Use by the Organization for Economic Development's Development Assistance Committee (OECD-DAC) Network on Development Evaluation. DOL determined these criteria are in accordance with the OMB Guidance M-20-12.
[62] Evaluative Criteria: An Integrated Model of Domains and Sources, American Journal of Evaluation, Rebecca M. Teasdale, 2021, Vol. 42(3) 354-376.

to uphold the American Evaluation Association Guiding Principles for Evaluators.[63] ILAB will make the evaluation report available and accessible on its website.

This document is organized into the following sections:

1) Mexico Automotive Sector Context

2) Purpose and Scope of the Evaluation

3) Evaluation Questions

4) Evaluation Methodology and Timeframe

5) Roles, responsibilities, and evaluation timetable

6) Expected Outputs/Deliverables

7) Annexes

MEXICO AUTOMOTIVE SECTOR CONTEXT

ILAB is committed to promoting labor rights in the Mexican automotive sector through targeted technical assistance. Aligned with the priorities outlined in the Mexican Federal Labor Law and USMCA, ILAB seeks to leverage the existing momentum in the automotive sector to enhance enforcement and compliance with labor laws, as well as elevating workers' voices to exercise their rights, thereby ensuring workers' rights are protected.

To do so, ILAB's interventions are designed to **enhance the enforcement of labor laws** to uphold labor rights, eliminate discrimination in the workplace, and ensure a safe and healthy environment for workers across the Mexican automotive sector. Notably, ILAB's portfolio is designed to serve as a catalyst for change by (1) improving the quality of labor inspections, (2) strengthening the coordination of enforcement institutions, and (3) preventing and addressing labor law violations. Complementary to enforcement, ILAB also focuses on **compliance with labor laws**, working to mitigate incidences of labor violations. ILAB's portfolio emphasizes (1) increasing awareness of existing labor laws and labor rights, (2) strengthening the capacity of key stakeholders to play an active role in labor reform, and (3) implementation of labor mechanisms to protect and foster labor rights. Key to ILAB's actions is the **elevation of workers voices** to exercise their rights. ILAB's portfolio includes strategies to strengthen the position of workers and their organizations by increasing understanding of labor law reform and improving their ability to organize, represent, and advocate for the exercise of their rights.

In support of these efforts, ILAB has awarded multiple cooperative agreements aimed at improving the implementation of labor reform and enhancing working conditions in the sector. To inform this systems evaluation, the evaluation team will gather insights from four sampled interventions, which will serve as illustrative examples to assess the relevance and effectiveness of ILAB's portfolio. These include:

1) Improving Working Conditions in the Mexican Automotive Supply Chain (CALLE) project.

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[63] American Evaluation Association's Guiding Principles.

2) Engaging Mexico's Auto Sector Employers in Labor Law Reform Implementation project.

3) Engaging Workers and Civil Society to Strengthen Labor Law Enforcement project.

4) Mexico Awareness Raising Project (MAP).

In alignment with ILAB's strategic focus, these projects collectively work to enhance labor law enforcement and ensure compliance in Mexico's automotive sector, aiming to safeguard workers' labor rights. These initiatives, which are not designed to be integrated or overlapping, address a broad spectrum of stakeholders, including the government, employers, workers, and unions. Each initiative serves a distinct function – ranging from providing technical assistance to the federal labor inspectorate, to fostering compliance among small and medium-sized automotive enterprises, to bolstering the capacity of workers and civil society organizations to engage effectively with labor law mechanisms—they present a comprehensive approach to labor law implementation. A nationwide awareness campaign further complements these efforts by educating a broad spectrum of stakeholders on the intricacies of Mexico's labor law reform. Together, these projects tackle the systemic challenges in labor law across Mexico, including but not limited to those in the automotive sector, thereby contributing to the implementation of the country's labor law reform.

PURPOSE AND SCOPE OF EVALUATION
Evaluation Purpose
The purpose of this systems-level evaluation is to assess ILAB's strategy and portfolio designed to ensure the protection and enjoyment of workers labor rights, including an inclusive, safe, and healthy working environment for Mexico's automotive workforce. Specifically, the evaluation will assess the collective efforts by sampling four projects to:

1) Gather relevant information on the progress, effects and influence of ILAB's interventions in the Automotive Sector;

2) Support ILAB and its grantees to consider their interventions from a system dynamics perspective; and

3) Identify emergent opportunities for enhanced collaboration and adaptation, and other ways in which the interventions can be more effectively implemented and supported to advance their objectives and contribute to systemic change in the automotive sector.

The evaluation will explore the context, relationships, influence, potential and actual outcomes, and emerging patterns within the Mexican automotive supply chain, using the four sampled interventions as a snapshot or example of ILAB's technical assistance. This examination aims to gain a comprehensive understanding of the influence of ILAB's technical assistance on the automotive industry at a systems level, assessing how relevant and responsive it is to the broader needs and priorities within the automotive sector.

This approach will probe into how ILAB's technical assistance is advancing equity and workers' voice and lived experiences, uncovering underlying conditions that may be hindering progress, and pinpointing leverage points within the automotive supply chain that hold transformative potential for the grantees and other key stakeholders. In viewing the automotive sector as a complex system, the evaluation seeks to identify the relevant

stakeholders operating within the sector, develop a theory of change for how ILAB's technical assistance functions within the system, and identify opportunities and gaps for how individuals, institutions and interventions can foster systemic change.

Intended Users

The primary intended users of this evaluation will be ILAB, its implementing partners, and other institutional partners, with a particular focus on Mexico. This evaluation will deliver a comprehensive analysis of the impacts, effects, and influences of ILAB's systemic approach within the Mexican automotive sector, including emerging opportunities for enhanced collaboration and adaptive interventions.

For ILAB, the evaluation will present insights into the systemic impacts of their technical assistance and inform potential areas of strategic emphasis to optimize the systems-level change. Similarly, the evaluation will enable the grantees to discern ways in which their interventions can be further refined to better align with the overall systems approach and contribute to achieving shared goals.

The findings, conclusions, and recommendations of the evaluation will guide necessary adjustments to enhance collective impact at the systems level. While the evaluation primarily targets ILAB and its grantees, it also carries relevance for a broader global audience. In line with standard USDOL practices, the evaluation report will be published on the USDOL website. Thus, it will be structured as a standalone document, providing essential background information for readers who may not be familiar with the specifics of the project but are interested in transforming the automotive sector or other sectors through systemic interventions.

A detailed communication and dissemination plan, which includes the specific methods and activities for sharing the results and accomplishments of the evaluation with each target audience, is prepared as a separate document.

EVALUATION QUESTIONS

In collaboration with ILAB, the DevTech evaluation team prepared a preliminary set of evaluation criteria and associated questions.[64] To ensure the evaluation genuinely reflects the scope and priorities of ILAB and its implementing partners, a participatory process was adopted to refine these criteria. A brief online survey was designed for ILAB staff and grantees, inviting them to rank each criterion and its corresponding questions based on their relevance to the understanding of ILAB's interventions, the dynamics of the automotive industry, and the potential implementation challenges and opportunities.

This method allowed us to incorporate the perspectives and priorities of those closely involved in the projects' execution. As a result of this consultative process, we established a set of ten evaluation criteria and associated questions that are comprehensive, focused, and tailored specifically to the unique context of ILAB's technical assistance in the Mexican automotive sector, which are outlined below.

Relevance/Validity

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[64] The evaluation criteria and associated questions were formulated in accordance with the OECD-DAC criteria (OECD/DAC Network on Development Evaluation, 2019), as well as Teasdale (2021).

– To what extent were the goals and activities of ILAB's technical assistance aligned with the needs, priorities, culture, and circumstances of the system actors in the automotive sector?

– To what extent did ILAB's technical assistance adapt to changing stakeholder needs and priorities as contextual realities evolved?

Design

– To what extent did the design of ILAB's technical assistance consider the complexity and dynamics of the automotive sector?

– To what extent and how could ILAB – along with its partners – enhance its collaboration and adaptation within the Mexican context to achieve the desired results across the automotive sector and beyond?

Replicability/Scalability

– To what extent are the principles, components, and activities facilitated through ILAB's technical assistance replicable to other sectors or contexts to strengthen labor rights? Are they scalable?

1. Effectiveness

– To what extent has ILAB's technical assistance achieved or advanced towards the desired outcomes and objectives? What factors facilitated or inhibited their success?

– What shifts in system actors' behavior, actions, policies or practices can be plausibly linked to ILAB's technical assistance in the Mexican automotive sector?

2. Unintended Effects

– Were there any unexpected effects – either positive or negative – that can be associated with ILAB's technical assistance?

3. Resource Use

– To what extent were resources such as funding, personnel, and materials used efficiently? Was the level of benefit produced by the interventions appropriate in relation to the resources invested?

4. Interconnectedness Momentum[65]

– To what extent has ILAB's technical assistance influenced relationships and interactions among workers, employers, government entities, and networks within the Mexican automotive sector?

– How have these relationships and interactions supported or accelerated momentum for transformational change in the Mexican automotive sector and beyond?

5. Adaptive Sustainability

– To what degree are the achievements of ILAB's technical assistance likely to be sustained and adapted over time, in the absence of continued ILAB support? What

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[65] Interconnectedness momentum refers to the accelerating force or drive resulting from the increasing interdependence of system components or entities. It emphasizes how the strengthening of interdependencies between system components can have a cumulative and accumulative effect over time.
Patton, M. Q. (2021). Evaluation Criteria for Evaluating Transformation: Implications for the Coronavirus Pandemic and the Global Climate Emergency. American Journal of Evaluation, 42(1), 53–89.
https://doi.org/10.1177/1098214020933689

factors may inhibit or enhance sustainability?

6. Consequence/Influence
    –   To what extent is ILAB's technical assistance likely to generate significant benefits and higher-level effects to the intended system actors and the broader automotive sector supply chain?

7. Diversity/Inclusion
    –   To what extent do the design and implementation of the interventions reflect the needs and priorities of diverse stakeholders, including marginalized and underserved populations?[66]

These evaluation criteria and their corresponding questions will provide the structure for the evaluation and be tailored to the specific learning priorities, objectives, expected results, activities, and stakeholders of ILAB's portfolio. The evaluation team identifies the data sources it intends to use to answer these questions in Annex A: Evaluation Design Matrix.

EVALUATION METHODOLOGY AND TIMEFRAME

The evaluation methodology will consist of the following activities and approaches:

Approach

Grounded in a systems perspective, the evaluation team has crafted a strategic approach to explore how ILAB's portfolio operates within and influences the Mexican automotive sector.[67] This strategy integrates the Outcome Mapping (OM) and Outcome Harvesting (OH) methodologies, both grounded in the principles of Utilization-Focused Evaluations (U-FE). U-FE stipulates that an evaluation's value is determined by its significance and applicability to its intended users, thereby anchoring findings, conclusions, and recommendations in ILAB/OTLA's learning priorities.

To guide the evaluation, the team conducted a co-creation workshop in Mexico City with ILAB and the four project grantees, resulting in a systems-level Theory of Change (TOC) that reflects ILAB's existing approach within the automotive sector. This TOC serves as a guiding framework for the evaluation and systems-level analysis. The evaluation will then examine ILAB's portfolio as depicted on the TOC, assessing the relevance and effectiveness, as well as other evaluation criteria, to the automotive sector's system actors. This examination will facilitate the identification of potential gaps and opportunities, based on the evaluation findings, leading to possible refinements within the TOC to ensure that it is adaptable and responsive to the dynamics of the automotive sector.

Outcome Mapping is our principal method for understanding and evaluating the system-level changes effected by ILAB's interventions in the Mexican automotive sector. It focuses on assessing behavioral changes in individuals, groups, and organizations involved in the system, helps to unpack the system's theory of change, and identifies plausible linkages between ILAB's interventions and system-level changes. Complementing this method,

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[66] Refers to populations who have been historically underserved, marginalized, or denied equitable treatment on the basis of disability, gender identity, sexual orientation, race, ethnicity, religion, migration status, and persons or groups otherwise adversely affected by persistent poverty or inequality.

[67] This will include exploring the range of effects of ILAB's assistance on workers, capturing both intended and unintended outcomes, whether they are positive, negative, or neutral. The evaluation will also explore variances in these effects, considering that some workers may experience different degrees or types of benefit, risk, or harm.

Outcome Harvesting aggregates evidence of "outcomes" —changes in behavior, actions, relationships, policies, and practices, whether they be positive or negative, expected or unexpected, direct or indirect. To develop the full story of the outcome description, it then works backwards to identify if and how an intervention contributed to these changes. Together, OM and OH help unpack the system's complexity and the influence of ILAB's portfolio, shedding light on the underlying dynamics and mechanisms of systemic change. For details on data sources, data collection tools, and the analysis approach employed to answer the evaluation questions, please reference the evaluation matrix in Annex A.

OPERATIONALIZING OUTCOME MAPPING AND OUTCOME HARVESTING

The following details the methodology that the evaluation team will employ to implement OH and OM. Though presented in a linear way, the process will be iterative, integrating feedback from validation sessions, workshops, data collection, and analysis of secondary data. This approach ensures continuous learning and adaptation in response to the evolving context and effects of ILAB's interventions.

Outcome Mapping centers around the definition of **Boundary Partners** - individuals, groups, or organizations that interventions directly engage and potentially influence.[68] In the context of the Mexican automotive sector, potential Boundary Partners span across:

- **Government:** Ministry of Labor and Social Welfare (STPS), FCCRL, State Ministries of Labor, including labor units, Independent Mexico Labor Experts Board (IMLEB).

- **Academia/Civil Society Organizations/Media outlets:** FLACSO, Metropolitan Autonomous University (UAM), Labor Centers.[69]

- **Labor unions:** Federation of Independent Unions of Auto, Auto parts, Aerospace, and Tire Industries (FESIIAAAN), the Sindicato Independiente de Trabajadores de Volkswagen de México (Independent Union of Volkswagon Workers in Mexico, SITIAVW), the Sindicato Independiente de Trabajadores de Goodyear México (Independent Union of Goodyear Workers in Mexico, SITGM), Sindicato Nacional de Trabajadores y Trabajadoras de la Industria Automotriz (National Independent Union of Automotive Industry Workers, SINTTIA), Liga Independiente de 3M de San Luis Potosí (Independent League of 3M in San Luis Potosí), Sindicato Nacional de Trabajadores de General Tire de México (National Union of General Tire Workers in Mexico, SNTGTM), Orden Mexicana de Profesionales Marítimos y Portuarios Similares y Conexos (Mexican Maritime and Port Workers Union, La Orden), the Sindicato Nacional Independiente de Trabajadores de Industrias y de Servicios (National Independent Union of Industries and Services Workers, SNITIS), United Steelworkers

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68 https://www.betterevaluation.org/methods-approaches/approaches/outcome-mapping
69 Observatorio de Políticas y Prácticas Laborales (Observatory on Labor Policy and Practice, Labor Center UAM, OPPL), Universidad Autónoma de Querétaro (Autonomous University of Querétaro, UAQ), the Comité Fronterizo de Obreras (Border Workers Committee, CFO), Proyecto de derechos Económicos Sociales y Culturales (Project on Economic, Social and Cultural Rights, ProDESC), Colegio de la Frontera Norte (Northern Border College, COLEF), International Lawyers Assisting Workers Network (ILAW), Grupo de Investigación de la Reforma Laboral, (Labor Reform Research Network or Research Network, GIRL), University Of California-Los Angeles Labor Center (UCLA Labor Center), Rethink Trade at the American Economic Liberties Project, Red de Solidaridad con Trabajadorxs en Riesgo (Network of Solidarity with At-Risk Workers, RED)

(USW), among others.[70]

- **Business Associations:** National Auto Parts Industry Association (INA), Employer Confederation of the Mexican Republic (COPARMEX), Confederation of Industrial Chambers of Mexico (CONCAMIN), National Network of Clusters of the Automotive Industry (REDCAM).

- **Employers and Business Owners:** Employers Community of Practice (COP), Individual employers from the automotive industry.

- **Workers and Worker Groups:** Casas Obreras emphasizing in Casa Obrera Potosina (San Luis Potosí Workers Center), individual workers from the automotive industry, Unificación Obrera (Worker Unification, UO).

- **Worker Organizations and Confederations**

- **Donors and Implementing Partners:** ILAB, American Institutes for Research, Solidarity Center, Partners of the Americas, Pan American Development Foundation.

The **Outcome Challenge**, another core element of Outcome Mapping, outlines the desired changes within each boundary partner that contribute towards the achievement of larger developmental objectives, namely improving workers' rights and labor justice. The systems-level TOC for the automotive sector, formulated with ILAB and the grantees, will define this Outcome Challenge. The TOC will establish the overall systemic changes anticipated in the Mexican automotive sector. The evaluation team will engage with system actors and probe into the four technical assistance projects to assess how effectively ILAB's interventions are leading to these systemic changes.

After identifying the Boundary Partners and defining the Outcome Challenge, the evaluation team will create **Strategy Maps** and set predetermined **Progress Markers** based on the purposedly-built TOC. The Strategy Maps illustrate anticipated pathways that each Boundary Partner might take towards achieving the Outcome Challenge. As part of this process, the team will identify priority topics or areas that serve as focal points for these routes. Progress Markers represent observable and measurable evidence of change – or intermediate outcomes or milestones along the paths defined by the TOC/Outcome Challenge. They serve to gauge whether a Boundary Partner is progressing towards or straying from the desired systemic changes. Their design ensures the evaluation maintains focus on key areas of interest, enabling a more nuanced and precise data analysis.

Upon validation of the TOC, select boundary partners will be tasked with recording and maintaining **Outcome Journals.** These journals may take the form of online surveys and are designed to track shifts in behavior, relationships, and practices among the boundary partners, systematically capturing both anticipated changes, as defined by the Progress

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[70] The Sindicato Independiente de Trabajadores de Audi México (Independent Union of Audi Workers in Mexico, SITAUDI), United Auto Workers' Union (UAW), American Federation of Labor and Congress of Industrial Organizations (AFL-CIO), the Sindicato de Trabajadores de la Industria Metálica, Acero, Hierro, Conexos y Similares (Metal, Iron and Steelworkers Union, STIMAHCS), the Sindicato Independiente de las y los Trabajadores Libres y Democráticos de Saint Gobain México (Independent Union of Free and Democratic Workers of Saint Gobain Mexico, or Independent Saint Gobain Union), Sindicato Nacional de Trabajadores Mineros, Metalúrgicos, Siderúrgicos y Similares de la República Mexicana (National Union of Mine, Metal, Steel and Allied Workers of the Mexican Republic, Sindicato Minero), La Liga Sindical Obrera Mexicana (League of Mexican Workers Union, La Liga or LSOM),

Markers, and unanticipated changes as they occur. They provide real-time insights into the path towards the established Progress Markers.

Leveraging the elements defined through Outcome Mapping, the team will implement **Outcome Harvesting**, a vital component of the systems evaluation approach. This method, which utilizes data captured in the Outcome Journals, document review, and direct engagement with stakeholders, enables the documentation and analysis of both anticipated and emergent changes in behavior, relationships, or activities among boundary partners. The outcomes harvested in this process, reflecting the systemic implications of ILAB's interventions within the Mexican automotive sector, will be instrumental in validating, contesting, or refining the assumptions and pathways articulated in the system-level TOC. To navigate through this process, the team will follow a six-step process to ensure the integrity of Outcome Harvesting:

1) **Design the Outcome Harvest:** In this initial phase, roles are clearly defined. The evaluation team assumes the role of 'harvesters,' tasked with the collection, analysis, and interpretation of data. Meanwhile, ILAB and the four project grantees serve as 'harvest users,' guiding the process and making use of its insights. Those directly impacted by ILAB's interventions are designated as 'boundary partners.' Together, these actors collaboratively determine the scope and purpose of the harvest, ensuring alignment with the system-level TOC developed alongside ILAB and the grantees. Below is a draft of the outcome harvest scope:

   a. Objective: Evaluate the relevance and effectiveness of ILAB's systemic approach in the Mexican automotive sector using the TOC as a guide.
   b. Scope: The entire system that ILAB's projects aim to influence - unions, government, employers, workers, civil society organizations, and public awareness in the Mexico automotive sector.
   c. Key Stakeholders & Information Sources: Government officials, union leaders, employers, workers, representatives from civil society organizations, ILAB grantees, and project documentation.

2) **Review Documentation and Draft Outcome Descriptions:** The evaluation team will then delve into the project documentation from all four projects to identify potential outcomes and the specific interventions that contributed to them. The outcomes sought are anticipated changes (defined by the Progress Markers) as well as unanticipated shifts that reveal systemic impacts of ILAB's interventions. These outcomes might include changes in the workers' access to the right to collective bargaining and freedom of association, in policy changes, improvements in labor law enforcement, increased employer awareness about labor law reforms, changes in the behavior of industry players in response to the interventions or shifts in the relationships among stakeholders.

3) **Engage with Stakeholders:** The evaluation team will engage with stakeholders from the four sampled projects, ILAB, and other system actors, including union leaders, government officials, employers, workers, and Civil Society Organizations (CSOs) through methods such as Key Informant Interviews (KIIs) and Focus Group Discussions (FGDs). The primary focus of this engagement is to understand how these outcomes materialized and their system-wide implications on the Mexican

automotive sector. It is also an opportunity to reflect on the needs of the various stakeholders involved to gauge the responsiveness of ILAB's systems approach. A detailed account of the data collection strategy is outlined in Data Collection Methodology .

4) **Substantiate:** The evaluation team will collaborate with the harvest users (ILAB and the four grantees) and boundary partners to validate and contextualize the harvested outcomes. This validation will draw from the findings recorded in the Outcome Journals and insights gathered through engaging with various stakeholders. To facilitate this, the team will conduct a series of validation workshops using participatory approaches and 'pause and reflect' techniques following preliminary data analysis. These workshops provide a platform for sharing initial findings, triangulating results, and eliciting diverse stakeholder feedback, contributing to a comprehensive portrayal of system changes.

5) **Analyze and Interpret:** Upon harvesting the outcomes, the evaluation team will analyze and compare the validated outcomes against the systems-level TOC/Outcome Challenge, Strategy Maps, and Progress Markers. To enhance this analysis, we intend to incorporate Kumu as a visual modeling tool to visualize changes or clusters of changes as they relate to the systems-level TOC. This comparison will enable the evaluation team to assess the extent to which ILAB's interventions effectively respond to the systems-level TOC and reveal whether these interventions are leading to the expected changes, how different elements in the system are interacting, and where there may be gaps or opportunities for further intervention. This step also serves to validate, challenge, or refine the assumptions and pathways of the systems-level TOC, along with the predetermined Progress Markers and Strategy Maps.

6) **Support Use of Findings:** In the final stage, the evaluation team will present the findings to ILAB and its grantees. The presentation aims to enhance understanding of the systemic impacts of their interventions and provide actionable insights for future strategy adjustments. The goal is to equip ILAB and its partners with the necessary knowledge to fine-tune their interventions for maximized systemic impact.

By employing a systems approach that combines Outcome Mapping and Outcome Harvesting, this evaluation aims to provide a nuanced understanding of the interactions and influences of system actors within the Mexican automotive sector. It will highlight the ways in which ILAB's interventions, carried out through AIR, PADF, POA, and SC, have influenced systemic change and have contributed to the achievement of desired outcomes. Through the refinement of Progress Markers and Strategy Maps, the evaluation will provide further guidance for boundary partners in achieving their development objectives within the system. **Figure 4** below depicts the iterative approach to Outcome Mapping and Outcome Harvesting adopted by the team.

Figure 4. Evaluation Approach to Outcome Mapping and Outcome
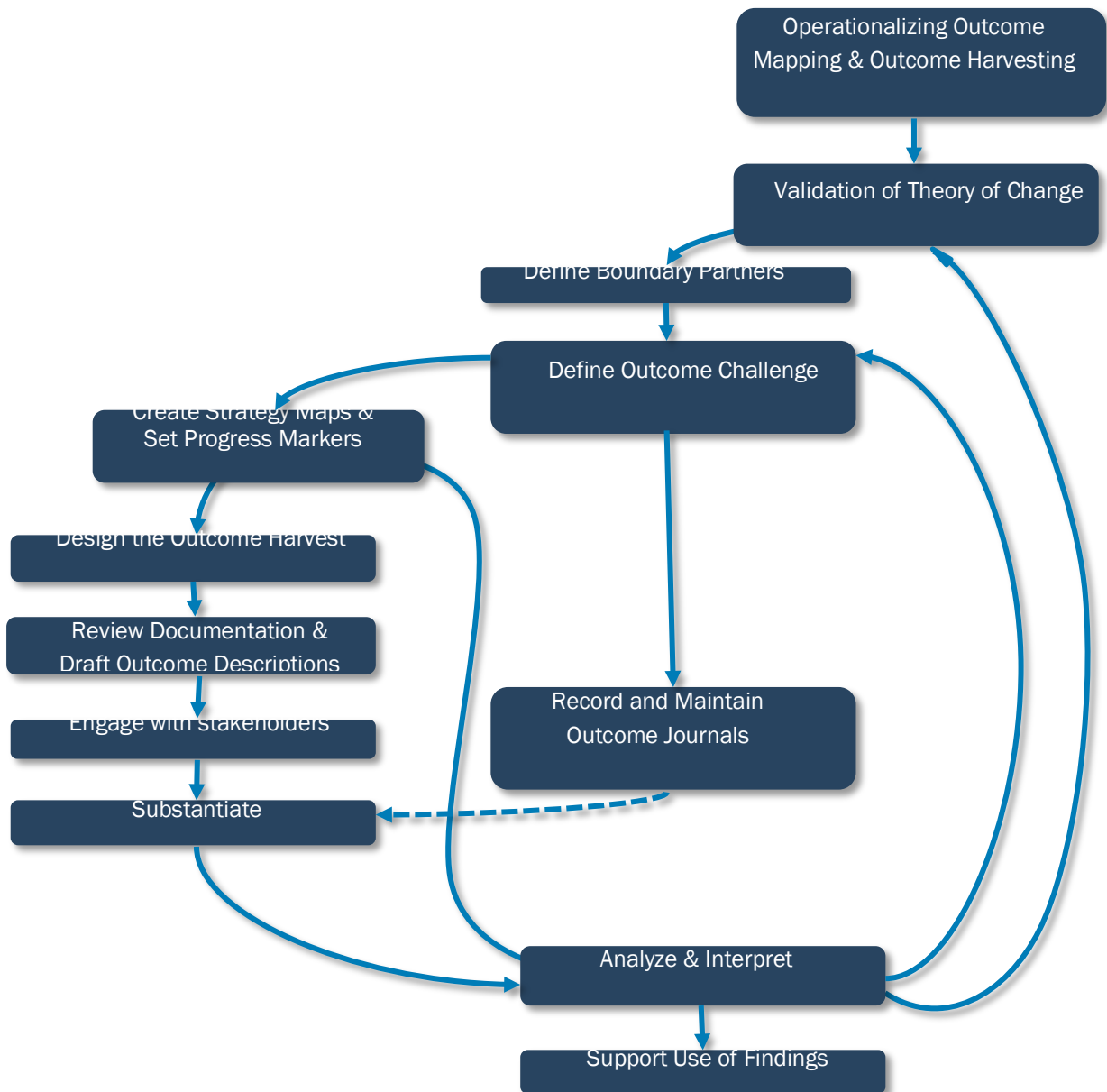
GUIDING PRINCIPLES OF THE EVALUATION

The evaluation approach will ensure independence, with the evaluation team being directly overseen by DevTech Systems, Inc. Project staff and implementing partners will generally be included in meetings with stakeholders, communities, and system actors for introductory purposes only. The following principles will guide the evaluation process:

Triangulation of Data Collection Methods and Perspectives: The team will aim to triangulate methods of data collection and stakeholder perspectives for as many evaluation questions as possible.

Inclusion and Protection of Diverse Workers: Efforts will be made to amplify the voices and lived experiences of workers from diverse backgrounds, including underserved or historically marginalized groups and communities. Measures will be taken to safeguard their identity

through anonymization, preserve their dignity, and protect them from possible retaliation. The evaluation team will ensure anonymous engagement, enabling workers to express their views and experiences freely and safely.

Gender, Cultural Sensitivity, and 'Do No Harm' Principles: These will be integral to the evaluation approach. The team will disaggregate data by gender, age, disability status, and geographic location, where relevant. The team will strive to maintain gender parity in the KII sample, although the primary selection criterion is the roles and responsibilities of key stakeholders and their involvement in the project. Additionally, to maintain the confidentiality and safety of all participants, particularly workers, all individual identifiers will be anonymized during data collection and analysis.

Consideration of worker's time: The evaluation team understands the importance of accommodating various stakeholders' schedules and preferences. To ensure meaningful participation, we offer flexible survey options, including online surveys, gradual responses through messaging platforms, and brief phone surveys.
Regarding interviews and group discussions (KIIs and FGDs), the evaluation team will prioritize flexibility in scheduling, adapting to participants' availability. KIIs will be limited to a maximum of 60 minutes, and FGDs will last up to 90 minutes, but will be one-time events.

Flexibility in Consultations: While meeting the key information requirements, the evaluation team will retain a degree of flexibility in consultations to maintain stakeholder and system actor ownership. This approach allows for the inclusion of additional questions that are not explicitly listed in the TOR but are relevant for the evaluation purposes, or refinement of existing questions in alignment with the evaluation's goals and objectives. The team will strive for a consistent approach across each project site, making adjustments as needed for different actors, activities, and stages of implementation within each locality or institution.

Equity and Worker Voice: These considerations are cross-cutting and integrated into all phases of the systems-level evaluation. Workers are seen as an essential part of the system actors in data collection methods such as KIIs and FGDs. Research questions will incorporate issues of equity, particularly within the Diversity/Inclusion criteria.

EVALUATION TEAM
The core evaluation team will consist of a contract manager and five evaluation and research specialists:
- The team will be led by **Dr. Andrea Estrella, the Lead Systems Evaluator**, who is responsible for leading the planning, implementation, and utilization stages of the evaluation, as well as preparing and finalizing the evaluation report among all other deliverables. She will oversee the implementation of all evaluation activities, bringing exceptional technical evaluation capacity, topical expertise, regional experience, and Spanish fluency.

- **Contract Manager, Mr. Facundo Alberdi** will provide day-to-day administrative support, manage workflow, and facilitate team coordination for smooth operations.

- The program analyst from DevTech's Home Office, **Miguel Núñez** will lead local data collection efforts under the supervision of the Lead Systems Evaluator. The Program Analyst will apply knowledge of relevant subject matter to analyze and solve problems

in a variety of programming areas, including but not limited to workflow and logistics planning, communication, collaboration, information-sharing, analysis, stakeholder participation, or other program support fields.

- The team will be supported by two Mexico-based evaluation team members, **Ana María de la Parra** and **Karen de la Parra**, both of whom have strong local knowledge. They will work closely with the Lead Systems Evaluator and Program Analyst, to carry out on-site facilitation, data collection, site visits, and observations and support a variety of other evaluation tasks as needed, including logistical planning, communicating with and photographing stakeholders, translation, interpretation, as well as analytical and research tasks to facilitate stakeholder participation, identify and mitigate potential harm to evaluation participants, and support safe, inclusive, ethical, and culturally appropriate evaluation methods. Both team members are skilled in using Kumu as a visual modeling tool, which will be integrated into the evaluation to facilitate a robust analysis.

- Two local Subject Matter Experts, including **Dr. Eleocadio Martinez**, will work closely with the evaluation team in providing labor law subject matter expertise, including a worker-centric perspective to the evaluation. Both experts will be involved in facilitating workshops, participating in data collection, conducting site visits, and making observations.

Additionally, the team will receive ongoing quality control support and technical assistance from DevTech's Home Office MERL Director, Tanya Hurst, and Evaluation Specialist, Sam Mirtaheri. Their roles will be pivotal in assisting with the development of evaluation products and deliverables, specifically as part of DevTech's internal quality control measures. Through consistent oversight and stringent quality control processes at the home office, combined with DevTech's field-tested knowledge management tools, we will ensure cohesive, effective functioning of all team members, and maintain the highest standards of excellence for the evaluation.

DATA COLLECTION METHODOLOGY

DOCUMENT REVIEW

The data collection process initiates with an extensive review of documents related to ILAB's interventions and relevant external sources. This initial review offers insight into the portfolio's operational environment, including dynamics, key actors, and influencing factors. During each stage of the evaluation, the evaluation team will utilize secondary data to varying degrees. During the design stage, the evaluation team will thoroughly examine the materials provided by ILAB and the Grantees, including the following initial list of documents, a majority of which have already been provided by ILAB and the Grantees:

- Funding Opportunity Announcement (FOA)

- PMP document and data reported in Annex A of the TPR,

- Pre-situational analyses,

- Project document and revisions,

- Project budget and revisions,

- Cooperative Agreement and project modifications,

- Risk and Stakeholder Registers/Management Plans,

- Sustainability and Exit Strategies,

- Technical Progress and Status Reports,

- Project Logic Models, Theories of Change and Monitoring Plans, strategy documents

- Work plans,

- Correspondence related to Technical Progress Reports,

- Management Procedures and Guidelines,

- Research, reports, or materials produced, and,

- Project files as appropriate.

Additional program documents, such as deliverables, strategies, and policies, may be requested either before or during fieldwork to deepen the team's understanding. These documents will help to capture a comprehensive picture of the interventions in terms of objectives, documented achievements, strengths, and potential challenges. This review has served as an instrumental role in informing and refining data collection tools (see Annex B: Data Collection Tools and Instruments) and this TOR, by highlighting specific areas for discussion with each stakeholder group and enabling the evaluation team to comprehend the context and investigation areas for each evaluation criterion.

Moreover, the secondary data have significantly contributed to the development of the system-level TOC workshop, utilizing ILAB reports and guidelines as well as peer-reviewed articles. Additionally, the secondary data will be used for validating and improving the final visual of the TOC. It will be crucial in the Outcome Mapping and Outcome Harvesting processes, such as setting up Progress Markers and the development of Outcome Descriptions.

The document review will also contribute to assessing the established evaluation criteria and will be influential in guiding the evaluation's findings, conclusions, and recommendations. As part of the data analysis, all documents involved in the review will undergo thematic coding using Dovetail, a qualitative coding software, and this data will be supplemented further with primary data obtained during fieldwork.

QUESTION MATRIX

The evaluation team created an evaluation design matrix, which outlines the source of data from where the evaluation team plans to collect information for each TOR question, as well as the data collection tools and analysis approach. This will help the evaluation team decide how to allocate time in the field; help ensure that it is exploring all possible avenues for data triangulation; and to clearly note where the evaluation results are coming from. Please refer to Annex A: Evaluation Design Matrix for the draft evaluation design matrix summarizing the proposed data sources, data collections tools and analytic approaches informing each of the evaluation criteria.

SAMPLING APPROACH AND KEY STAKEHOLDER IDENTIFICATION

The approach to the systems evaluation embraces the complexity of diverse perspectives through a multi-layered, purposive sampling strategy, informed by the systems-level Theory of Change (TOC).

The cornerstone of this sampling strategy is the identification and engagement of key stakeholders who represent a wide spectrum of stakeholder groups. Key informants are those individuals with unique insights into ILAB's interventions within the automotive sector, due to their roles, experience, or positions within the system. These individuals include government officials, trade union and business association members, employers, workers/worker groups, academia, media, and ILAB grantees.

Our approach to identifying key stakeholders will extend beyond suggestions from ILAB and project grantees. In alignment with the evaluation's participatory approach, our team will involve local actors in the identification process. To achieve this, the evaluation team will utilize snowball sampling to the extent that it is practical and suitable. This strategy ensures the inclusion of insights and experiences of those closely involved or influenced by the system.

To facilitate this process, the evaluation team will initiate a comprehensive stakeholder mapping exercise, utilizing data from varied sources such as project documents, press releases, United States-Mexico-Canada Agreement (USMCA) policy documents, academic articles, and the Mexican Department of Labor and Social Welfare (STPS) website, among others. This mapping will outline the automotive sector landscape, highlighting key actors and their relationships.

In parallel, the team will launch an initial online survey targeting specific groups, including employers and workers/worker groups. These groups, due to their roles and experiences, offer critical insights into industry dynamics. The survey will serve both to gather insights for the evaluation and assist in identifying key automotive sector stakeholders, who can provide unique perspectives due to their positions or experiences.

At the start of the fieldwork phase, the evaluation team will interview central key stakeholders. These individuals are involved with most, if not all, ILAB interventions. These initial interactions serve dual purposes: to collect primary data and to guide the team towards other key stakeholders through a snowball sampling technique. This approach ensures the team's sampling process is both participatory and thorough, leading to a comprehensive understanding of ILAB's impact within the automotive sector.

By integrating stakeholder mapping, online surveys, and snowball sampling, the evaluation team ensures a broad range of perspectives are included in the evaluation. This multi-faceted approach enhances the inclusivity and relevance of the evaluation, capturing voices that could otherwise be overlooked.

INTERVIEWS WITH STAKEHOLDERS

The evaluation team plans to conduct an estimated 110 KIIs and 20 FGDs by deploying multiple teams over a span of 15 working days to achieve these targets. The methodology will comprise both in-person meetings in Mexico and remote interactions via video or phone calls, subject to the local staff and stakeholder's availability. The team aims for a balanced distribution of male and female respondents to enhance gender representation in the

feedback gathered[71]. Additionally, the team will strive for geographical balance by Mexican states and location. However, the primary criteria for selection will be individual's roles, responsibilities, and influence within the system.

As presented in Table 5 below, key informant interviews and focus group discussions will be organized across different stakeholder types.

Table 5: KII/FGD Data Collection Strategy

Stakeholder Type	Method	Sample Size	Potential Respondents
US & Canadian Government	KII	TBC[72]	ILAB Project Managers, Labor Attaches, MEL specialists (former and current) , Independent Mexico Labor Experts Board IMLEB.
Grantee and Implementing Partners	KII/FGD	TBC	AIR, PADF, SC, POA
Host-Country Government	KII, FGD	TBC	STPS (including inspection units), FCCRL, State-level representatives (ORFTs), Local Federal Courts
Labor Unions	KII, FGD	TBC	FESIIAAAN, SITIAVW, SITIAUDI, UAW, AFL-CIO, STIMACHS, Sindicato Independiente de Trabajadorxs Libres y Democraticos de Saint Gobain; Sindicato Minero, La Liga, SITGM, SINTTIA, La Liga - 3M, SNTGTM, La Orden, SNITIS, USW
Business Associations	KII, FGD	TBC	COPARMEX, REDCAM, INA, CONCAMIN, INDEX, CCE
Employers and Business Owners	KII, FGD	TBC	Employers Community of Practice (COP), Individual employers from the automotive industry
Workers/Worker groups	KII, FGD	TBC	Casas Obreras, emphasizing in Casa Obrera Potosina, Unificación Obrera (Worker Unification, UO), individual workers from the automotive industry[73]
Worker Organizations and Confederations	KII, FGD	TBC	
Academia, CSOs, media outlets & other relevant local or national organizations	KII, FGD	TBC	UAM, OPPL, UAQ, LC UAQ, University of Celaya (UDEC), SAI, FLACSO, CFO, ProDESC, Colef, ILAW, GIRL, UCLA Labor Center, Rethink Trade at the American Economic Liberties Project, RED, Global Labour University, Worker Rights Consortium

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[71] See reference in Section "Guiding Principles of the Evaluation" for a reference to the importance of seeking balance between gender participation and roles / contributions to the evaluation.

[72] The sample size will be determined in coordination with ILAB and the grantees and will be informed by the results of the stakeholder mapping, insights from online survey results, and initial engagements with system actors in Mexico.

[73] To select individual workers for interviews and FGDs, the evaluation team will collaborate with independent labor unions and worker centers, validated through consultation with USDOL labor attaches and grantees. We will request these organizations to distribute anonymous paper-based and online surveys to their members. These surveys will only collect basic demographic information and will include an optional question asking respondents if they wish to volunteer for KIIs or FGDs, providing their contact information for further engagement if they opt in. Alongside this volunteer group, an initial 'seed' group will be selected with the assistance of the labor unions and worker centers. These two groups will serve as the starting point for qualitative data collection. To mitigate potential biases and enhance the robustness of our findings, snowball sampling will be employed for subsequent rounds of FGDs and KIIs, utilizing referrals from this initial 'seed' group.

FIELD VISITS

The evaluation team will be visiting select sites where ILAB's interventions are being implemented, focusing on locations where multiple projects coexist and interact. The final selection of sites will be determined in close coordination with ILAB and grantees, informed by insights gained during the Theory of Change (TOC) workshop. This process will equip the evaluation team with an in-depth understanding of the synergies and interactions at play in the system and will assist in pinpointing potential sites where these dynamics are most pronounced.

The purpose of these visits will go beyond observing individual project activities. Instead, they aim to comprehend how these various projects collectively influence the outcomes within the Mexican automotive sector. By targeting locations where multiple projects interact, the team can create a rich context for assessing system-level outcomes and effects.

The potential sites for field visits are highlighted in Table 6 and illustrated in

Map 1: ILAB's initiatives and field visits sites on the next page.

Table 6: ILAB's initiatives and field visits sites

Project	Implementation sites	Consolidated priority sites
IMPROVING WORKING CONDITIONS IN THE MEXICAN AUTOMOTIVE SUPPLY CHAIN (CALLE)	Puebla, Estado de Mexico, San Luis Potosi, Mexico City, and at the Federal level.	Estado de Mexico, Mexico City, San Luis Potosí, Guanajuato and/or Puebla
ENGAGING MEXICO'S AUTO SECTOR EMPLOYERS IN LABOR LAW REFORM IMPLEMENTATION	Estado de Mexico, San Luis Potosi, and Guanajuato.	
ENGAGING WORKERS AND CIVIL SOCIETY TO STRENGTHEN LABOR LAW ENFORCEMENT PROJECT	Guanajuato, Estado de Mexico, San Luis Potosi, Mexico City, and Queretaro.	
MEXICO AWARENESS RAISING PROJECT	Chihuahua, Coahuila, San Luis Potosi, Nuevo León, Jalisco, Baja California, and Querétaro.	

Map 1: ILAB's initiatives and field visits sites

ILAB's Projects

Consolidated Priority Sites

IMPROVING WORKING CONDITIONS IN THE MEXICAN AUTOMOTIVE SUPPLY CHAIN (CALLE)

ENGAGING MEXICO'S AUTO SECTOR EMPLOYERS IN LABOR LAW REFORM IMPLEMENTATION

ENGAGING WORKERS AND CIVIL SOCIETY TO STRENGTHEN LABOR LAW ENFORCEMENT PROJECT

MEXICO AWARENESS RAISING PROJECT
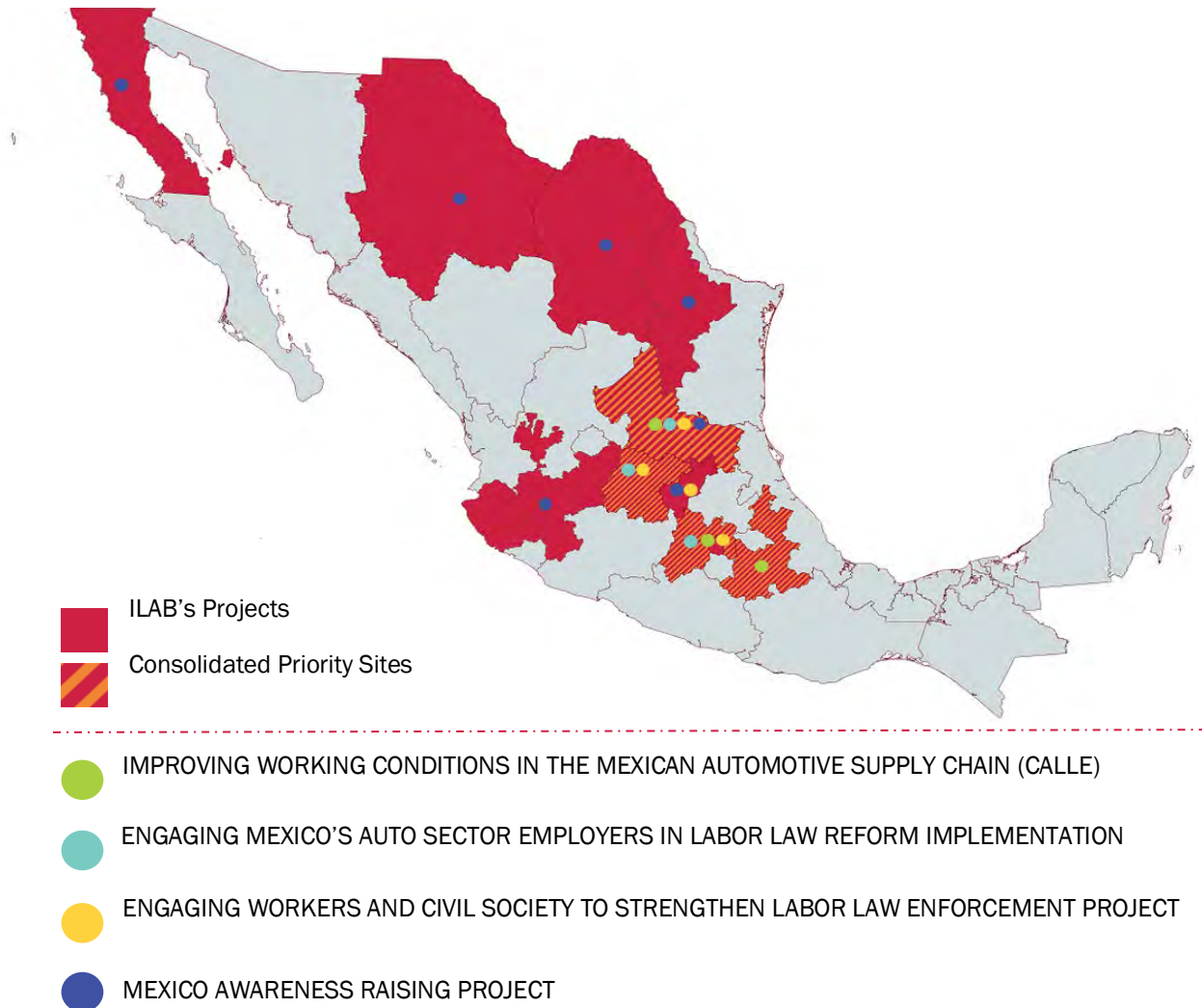
During the field visits, the evaluation team will closely observe and assess the interplay and synergies between different projects, their activities, and the system-level outcomes they generate, rather than focusing solely on individual project activities and outputs.

FIELDWORK PROCEDURES

In preparation for the fieldwork, the evaluation team will arrange logistics discussions with the staff of the AIR, PADF, POA, and SC projects. These preliminary conversations will facilitate planning for the field visit and data collection, accommodating both in-person and remote methods. However, the planning will not be confined to these grantees; the evaluation team also intends to leverage other non-grantee networks to ensure a broader and more comprehensive understanding of the field environment. Following the initial desk review, stakeholder mapping, and online surveys conducted, a preliminary list of key stakeholders for engagement during the fieldwork phase will be compiled, including input from various non-grantee networks. This draft list will be shared with the grantees and ILAB for review and feedback. The evaluation team will retain the ability to revise this list throughout the fieldwork period or upon further review of documentation and data collection. The evaluation team will collaborate with the grantees to schedule fieldwork, taking into account the availability of KII and FGD participants, as well as the evaluation team's timeline. The grantees will aid in scheduling KIIs and FGDs in line with the team's requests, both prior to and during fieldwork.

The Lead Systems Evaluator will conduct a comprehensive training for enumerators before initiating data collection. This training will ensure a thorough understanding of the data collection tools and instruments among all team members. The team will pilot these tools in the field, refining and validating them as needed. Following this preparation, a team of three to four members, primarily Mexican, will conduct the data collection at the fieldwork sites over approximately 15 days.

During the field visits and in accordance with Table 5: KII/FGD Data Collection Strategy, the evaluation team will conduct KIIs and FGDs with system actors, representing a diverse range of stakeholder groups. Observations of activities will be performed where possible, supplementing the team's understanding of the system dynamics. While project staff may be present at the start of meetings for introductions, the evaluation team will continue with KIIs and FGDs without their presence. Audio recordings will be made with the permission of the stakeholders, strictly for study purposes, and will be deleted after the analysis is complete. These recordings will not be shared with ILAB, the grantees, or any other parties and will be used exclusively by the evaluation team.

METHODS OF DATA COLLECTION

KIIs: The evaluation team will conduct KIIs with representatives from the U.S., Canadian, and Mexican governments, labor unions and business associations, universities/academia, and ILAB grantees. These KIIs will be semi-structured interviews, typically lasting up to 60 minutes, and involving one to three interviewees.

The semi-structured format of these interviews allows participants to provide comprehensive accounts of specific moments and developments, aligning with the outcome harvesting approach. The discussions in the KIIs will center around the outcomes reported in program documents, further exploring the specifics of these outcomes, the processes that led to their achievement, and any associated lessons learned.

FGDs: The evaluation team will also conduct Focus Group Discussions (FGDs) with key groups such as employers, business associations, and workers. Each FGD will consist of six to eight participants and will not exceed 90 minutes.

The aim of the FGDs is to facilitate a broader understanding of the reported system-level outcomes from a collective perspective. These discussions will help validate these outcomes, unravel the processes leading to them, and assist in uncovering any potential system-wide gaps. Moreover, FGDs will serve as a platform to recognize additional intended or unintended outcomes, gather lessons learned, and compile recommendations. The primary focus of these discussions is to explore how these outcomes materialized and their broader implications for the Mexican automotive sector, while also reflecting on the responsiveness of ILAB's systems approach to the needs of various stakeholders.

Both KIIs and FGDs will underscore the evaluation's core focus on systems-level outcomes and impacts, providing a comprehensive understanding of ILAB's interventions. In instances deemed appropriate, the evaluation team will integrate ILAB's rapid scorecard template to enhance the objectivity of findings. These data collection methods are designed to be adaptable and flexible, considering potential scheduling issues and concerns related to COVID-19.

Online Surveys: Prior to initiating fieldwork, the evaluation team plans to circulate online surveys to various stakeholder groups. These include workers and worker centers, reached via labor unions, and employers, reached via and business associations.

The surveys will feature targeted questions aimed at obtaining an early understanding of the system-level outcomes and impacts of ILAB's interventions within the Mexican automotive sector. This initial data will provide essential context and guidance for shaping subsequent stages of the evaluation. Moreover, these surveys will assist in identifying key stakeholders for potential interviews during the fieldwork stage. This dual-purpose approach ensures a well-rounded and inclusive perspective in the evaluation process, amplifying worker's voices.

Outcome Journals: Starting in September and continuing until the stakeholder validation workshops, grantees and selected boundary partners will maintain Outcome Journals. These may be conducted as simple monthly online surveys to monitor the specified changes among boundary partners, contributing to a layered understanding of the system-level changes effected by ILAB's interventions.

DATA ANALYSIS

Qualitative data will be derived from Outcome Journals, direct engagements with stakeholders, and other documents relevant to the evaluation. The evaluation team will analyze this data thematically using Dovetail, an online document coding tool that facilitates group interactions and review of documentation.

Initially, the team will define a set of codes or descriptors relevant to the key evaluation topics. These codes will be closely aligned with the evaluation questions and will be applied consistently across all qualitative data, including documents, interviews, and focus groups. To ensure internal consistency and shared understanding of the codes, they will be collaboratively developed by the team, followed by practice coding sessions. The team will conduct regular check-ins to discuss the applicability of the codes, build a shared understanding of their meaning, and consider the need to add potential new codes as the analysis progresses.

Quantitative analysis will involve the systematic examination of both primary and secondary data. The primary data will encompass surveys conducted with system actors, while the secondary data will consist of available monitoring data, and, where applicable, the project's internal baseline assessment, interim evaluations or review of activity progress. The evaluation team will collaborate with ILAB and the grantees to ensure timely access to these data.

Upon accessing the data, the evaluation team will assess its quality and relevance to addressing the research questions. This secondary data will primarily be used to triangulate findings with the primary data. This approach served to verify the results or acts as supplementary evidence to enhance the findings and, consequently, the analysis for each evaluation question. Specifically, the project monitoring plan (PMP) indicators and data may offer valuable insights into understanding particular outcomes, as well as the underlying factors that contribute to success or failure. This understanding is particularly relevant when consistent patterns emerge that can be linked to system-level findings.

Synthesis and interpretation of findings will involve both qualitative and quantitative analysis. The team will identify, describe, and analyze changes in behavior, relationships, activities, policies, or resources among system actors. Each identified change will be examined in relation to the intervention's influence, the roles of other system actors, and factors outlined in the systems-level TOC and Strategy Maps.

The team will identify patterns across the outcomes and scrutinize their relationship with broader system dynamics. By mapping the pathways leading to these changes, the evaluation will provide a deeper understanding of the processes, interactions, and adjustments that have contributed to the observed outcomes. The outcomes, validated against the systems-level TOC/Outcome Challenge, Strategy Maps, and Progress Markers, will also reveal potential gaps or opportunities for further intervention. This integrative approach combines the strengths of outcome harvesting and outcome mapping, allowing for a comprehensive interpretation of project influences within the system.

ETHICAL CONSIDERATIONS AND CONFIDENTIALITY

The evaluation mission will observe utmost confidentiality related to sensitive information and feedback elicited during the individual and group interviews. To mitigate bias during the data collection process and ensure maximum freedom of expression of the implementing partners, stakeholders, communities, and project participants, implementing partner staff will generally not be present during interviews. However, implementing partner staff may accompany the evaluator to make introductions whenever necessary, to facilitate the evaluation process, make respondents feel comfortable, and to allow the evaluator to observe the interaction between the implementing partner staff and the interviewees. As outlined in the methodology section under "Guiding Principles of the Evaluation", the evaluation team will pay special attention to safeguarding the identity and information of workers, preserving their dignity and protecting them from possible retaliation or other harm. For example, when planning for the data collection, the evaluation team will make sure that workers' engagement is anonymous and that they are free to express their views and experiences without any fear of retaliation. This may include separate spaces for data collection, arranging group discussions and informant interviews after working-hours, etc.

The evaluation team will respect the rights and safety of participants in this evaluation. During this study, the evaluation team will take several precautions to ensure the protection of respondents' rights:

- No interview will begin without receipt of informed consent from each respondent.

- The evaluation team will conduct KIIs and FGDs in a confidential setting, so no one else can hear the respondent's answers.

- If required by country regulations or key stakeholders, COVID-19 precautions and social distancing will be implemented during face-to-face interviews and FGDs.

- The evaluation team will be in control of its written notes at all times.

- The evaluation team will transmit data electronically using secure measures.

- The evaluation team will talk with respondents to assess their ability to make autonomous decisions and their understanding of informed consent. Participants will understand that they have the right to skip any question with which they are not comfortable or to stop at any time.

STAKEHOLDER VALIDATION WORKSHOPS AND PORTFOLIO LEVEL WORKSHOP

Following the completion of field-based data collection and preliminary data analysis, the evaluation team will facilitate a series of validation workshops, one portfolio-level validation workshop and four stakeholder validation workshops.[74] Leveraging participatory approaches and 'pause and reflect' techniques, the evaluation team will share the preliminary evaluation results and facilitate a discussion to triangulate the results and elicit stakeholder feedback. This collaboration with harvest users (ILAB and the four grantees) and boundary partners is intended to validate and contextualize the harvested outcomes, drawing from the findings recorded in the Outcome Journals and insights gathered through engaging with various stakeholders.

Project team members, implementing partners, boundary partners, ILAB staff and other system actors will be encouraged to participate, as appropriate. The workshop will lead to a discussion of recommendations and facilitates that the conclusions resonate with ILAB/OTLA and its implementing partners in Mexico, and that the pursuant recommendations reflect and respond to the needs, goals, and priorities of its users (particularly local system actors), including but not limited to ILAB/USG. The evaluation team will source inputs from attendees to refine and prioritize the evaluation's recommendations. These inputs will be incorporated into the draft report.

While the evaluation team will select the locations of the project-level workshops, based on program implementation, the evaluation team proposes to conduct one workshop in each of the following four locations: Guanajuato, Puebla, San Luis Potosí, and Estado de Mexico. The portfolio-level validation workshop will take place in Mexico City. Based on the proposed schedule, the team anticipates conducting the validation workshops, starting with the stakeholder workshops, two (2) months after completing the data collection to allow for the team to complete both project and portfolio level analysis. The evaluation team anticipated that the validation workshops will occur over a two-week period in mid-February 2024.

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[74] These workshops will involve stakeholders from relevant projects within the same state. The specific composition of each workshop will be determined closer to the date, based on the activities and overlaps of the projects within the state.

The agenda will be developed after the data collection, but is expected to include some of the following items:

- Presentation by the evaluator of the preliminary main results

- Feedback and questions from stakeholders on the results

- Opportunity for implementing partners not met to present their views on progress and challenges in their locality

- Discussion of recommendations to improve the implementation and ensure sustainability. Consideration will be given to the value of distributing a feedback form for participants to nominate their "action priorities" for the remainder of the project.

A debrief call will be held with the evaluator and USDOL after the stakeholder workshop to provide USDOL with preliminary results and solicit feedback as needed.

LIMITATIONS

As the evaluation team delves into this complex endeavor, it's crucial to acknowledge and navigate the potential limitations. This section outlines the potential constraints - including those arising from the data collection timeline, the design of the study, potential selection and cognitive biases, and issues concerning data reliability - and the strategies to be implemented to mitigate them. The proactive identification and addressing of these limitations aim to enhance the credibility and applicability of the evaluation findings within the broader context of the Mexican automotive sector.

Data collection timeline Our fieldwork timeline spans approximately three weeks, which might constrain the team's ability to engage with all project sites and stakeholders. This constraint could impact the depth of our understanding of individual site circumstances and the dynamics between different actors within the system. To mitigate this limitation, the team, in collaboration with ILAB and the grantees, will select a diverse and representative sample of sites and stakeholders that encompass a variety of contexts, performances, and challenges.

Design. The four sampled projects were not originally designed with a systems approach. This presents a challenge when trying to map their collective impacts on the automotive sector system, each operating within unique contexts and interacting with different parts of the system. Evaluating changes at a system level involves defining system boundaries, a complex task that determines which actors, elements, and processes are included in the evaluation. The multifaceted nature of the projects and the complexities involved in setting these boundaries might limit the team's ability to fully capture and assess system-level changes. Recognizing these limitations is important as they may influence the interpretation and application of the evaluation findings.

To address these challenges and capture a more holistic view of systemic changes, the evaluation team has developed a system-level TOC. This TOC is not a synthesis of the individual projects' TOCs, but rather a model specifically designed to reflect ILAB's portfolio and approach within the Mexican automotive sector. This model helps navigate the complexities associated with defining system boundaries and handling project-specific characteristics, providing a means to understand and evaluate the combined impacts of

these interventions. This approach guides the evaluation by revealing the systemic implications of ILAB's interventions, amidst the complexities inherent to system-level evaluation.

Selection Bias: The evaluation approach embraces the complexity of various perspectives through a multi-layered, purposive sampling strategy. Despite this, there is still a potential risk of selection bias. The reliance on project documentation to identify participants for Key Informant Interviews (KIIs) and Focus Group Discussions (FGDs) could potentially skew the participant pool towards more actively engaged stakeholders. Additionally, those stakeholders who are willing to participate in KIIs and FGDs might harbor more favorable views of the interventions, which could influence the accuracy of the evaluation findings.

To counter this bias, the team will make efforts to include a diverse range of stakeholders through the extensive stakeholder mapping exercise and initial online survey. Furthermore, the team will utilize a snowball sampling technique, which involves soliciting recommendations from initial key stakeholders to identify other groups or individuals whose perspectives are valuable. This strategy ensures that the sampling process is participatory and thorough, leading to a comprehensive understanding of the impacts of ILAB's interventions within the automotive sector.

Cognitive Biases: Key stakeholders constitute a significant source of insight for answering the evaluation questions. However, the data collected from interviews can be subject to cognitive biases, including recall and social desirability biases. Recall bias could pose a limitation as KII and FGD participants may have difficulty accurately recalling and reporting past experiences, potentially leading to distorted or incomplete information. Similarly, social desirability bias could influence responses, especially when discussing sensitive topics like labor rights.

To mitigate these potential biases, the team will start each KII and FGD with a protocol that clarifies the objectives of the evaluation, explains how the data will be used, and assures the confidentiality of participants' responses. By creating a comfortable, private, and safe environment for participants to share their thoughts and experiences, the team aims to enable candid responses without fear of judgment or repercussions.

The team will ensure the validity and reliability of the evaluation by systematically triangulating data across different respondent groups and data collection methods. This will involve using multiple data sources to assess alignment or divergence in findings, leading to actionable conclusions and recommendations. Primary data will also be cross-referenced with secondary data sources whenever possible. This approach enhances the inclusivity and relevance of the evaluation, ensuring a broad range of perspectives are considered.

Data Reliability: This evaluation is not intended as a formal impact assessment and will largely depend on qualitative data from stakeholder interviews, project documents, and engagements with project participants. The quality and accuracy of these sources are inherently subject to the integrity and perception of the stakeholders, potentially influencing the dependability of our findings. To bolster the robustness of our results, the team will employ data triangulation methods and validation workshops involving a diverse range of stakeholders. This approach will allow us to cross-verify evidence from multiple sources and ensure our findings accurately reflect the systemic impacts of ILAB's interventions.

ROLES, RESPONSIBILITIES, AND EVALUATION TIMETABLE

ROLES AND RESPONSIBILITIES

DevTech is responsible for accomplishing the following items:

- Providing all evaluation management and logistical support for evaluation deliverables within the timelines specified in the contract and TOR;

- Providing all logistical support for travel associated with the evaluation;

- Providing quality control over all deliverables submitted to ILAB;

- Ensuring the Evaluation Team conducts the evaluation according to the TOR;

The Evaluation Team will conduct the evaluation according to the TOR. The Evaluation Team is responsible for accomplishing the following items:

- Receiving and responding to or incorporating input from the grantees and ILAB on the initial TOR draft;

- Finalizing and submitting the TOR and sharing concurrently with the grantees and ILAB;

- Reviewing project background documents;

- Reviewing the evaluation questions and refining them as necessary;

- Developing and implementing an evaluation methodology, including document review, online surveys, KIIs and FGDs, and secondary data analysis, to answer the evaluation questions;

- Conducting planning meetings or calls, including developing a field itinerary, as necessary, with ILAB and grantees;

- Deciding the composition of field visit KII and FGD participants to ensure the objectivity of the evaluation;

- Developing an evaluation question matrix for ILAB;

- Presenting preliminary results verbally to project field staff and other stakeholders as determined in consultation with ILAB and grantees;

- Preparing an initial draft of the evaluation report for ILAB and grantees review;

- Incorporating comments from ILAB and the grantees/other stakeholders into the final report, as appropriate.

- Developing a comment matrix addressing the disposition of all of the comments provided;

- Preparing and submitting the final report;

ILAB is responsible for the following items:

- Launching the contract;

- Reviewing and providing comments to the draft TOC.

- Reviewing the TOR, providing input to the evaluation team as necessary, and agreeing on final draft;

- Providing project background documents to the evaluation team, in collaboration with the grantees;

- Obtaining country clearance from U.S. Embassy in fieldwork country;

- Briefing grantees on the upcoming field visit and working with them to coordinate and prepare for the visit;

- Reviewing and providing comments on the draft evaluation report and other deliverables;

- Approving the final draft of the evaluation report;

- Participating in the pre- and post-trip debriefing and KIIs where requested;

- Including the ILAB evaluation contracting officer's representative on all communication with the evaluation team;

The grantees are responsible for the following items:

- Participating in the co-creation workshop to develop the TOC.

- Reviewing and providing comments to the draft TOC.

- Reviewing the TOR, providing input to the evaluation team as necessary, and agreeing on the final draft;

- Providing project background materials to the evaluation team, in collaboration with ILAB;

- Preparing a list of recommended interviewees with feedback on the draft TOR;

- Participating in planning meetings or calls, including developing a field itinerary, as necessary, with ILAB and evaluation team;

- Scheduling meetings during the field visit and coordinating all logistical arrangements;

- Helping the evaluation team to identify and arrange for interpreters as needed to facilitate worker interviews;

- Reviewing and providing comments on the draft evaluation reports;

- Organizing, financing, and participating in the stakeholder debriefing meeting;

- Providing in-country ground transportation to meetings and interviews;

- Including the ILAB program office on all written communication with the evaluation team.

TIMETABLE
The tentative timetable is as follows. Actual dates may be adjusted as needs arise.

Task	Responsible Party	Date
EVALUATION START UP		
Evaluation launch call	DOL/ILAB	April 6, 2023
Background project documents sent to DevTech	DOL/ILAB	April 6, 2023 - Ongoing
TOR Template submitted to DevTech	DOL/ILAB	April 19, 2023
THEORY OF CHANGE		
Theory of Change Workshop	DevTech	July 19 to 21, 2023
Theory of Change draft narrative	DevTech	August 4, 2023
Theory of Change narrative validation sessions	DevTech	August 9 and 10, 2023
DOL/ILAB and Grantees provide comments on draft TOC narrative	DOL/ILAB and Grantees	August 18, 2023
Revised Theory of Change with Visuals	DevTech	September 1, 2023
DOL/ILAB and Grantees provide comments on revised TOC	DOL/ILAB and Grantees	September 15, 2023
Final Theory of Change with Visuals	DevTech	September 29, 2023
TERMS OF REFERENCE		
Draft TOR sent to DOL/ILAB for review	DevTech	August 25, 2023
Question matrix submitted to DOL/ILAB for review	DevTech	August 25, 2023 (with draft TOR)
DOL/ILAB provide initial comments on draft TOR	DOL/ILAB	August 29, 2023
Revised TOR submitted to DOL/ILAB and Grantees for review	DevTech	August 31, 2023
DOL/ILAB and Grantees provide comments on draft TOR	DOL/ILAB and Grantees	September 21, 2023
Revised TOR submitted to DOL/ILAB for review	DevTech	October 2, 2023
DOL/ILAB provide comments on revised TOR	DOL/ILAB and Grantees	October 4, 2023
Final TOR submitted to DOL/ILAB for approval	DevTech	October 13, 2023
Final approval of TOR by DOL/ILAB	DOL/ILAB	October 17, 2023
Submit finalized TOR to Grantee	DevTech	October 18, 2023
DATA COLLECTION AND ANALYSIS		
Logistics call - Discuss logistics and field itinerary	DevTech and Grantees (DOL/ILAB as needed)	October 16 – 20, 2023
DevTech sends minutes from logistics call	DevTech	October 16 to 20, 2023
DevTech and Grantees work to develop draft itinerary and stakeholder list	DevTech and Grantees	October 11 to 20, 2023
Fieldwork budget submitted to DOL/ILAB	DevTech	October 20, 2023

Task	Responsible Party	Date
Revise and finalize field itinerary and stakeholder list based on comments	DevTech, DOL/ILAB, and Grantee	October 25, 2023
Fieldwork budget approved by DOL/ILAB	DOL/ILAB	October 27, 2023
Outcome Journals	DevTech and Grantee	October 30, 2023 to February 9, 2024
Interview call with DOL/ILAB	DevTech	October 30 to November 3, 2023
Interview call with Grantee HQ staff	DevTech	October 30 to November 3, 2023
Fieldwork / Data collection	DevTech	November 6 - November 30, 2023
Post-fieldwork debrief call	DevTech	December 5, 2023
Stakeholder Validation Workshop	DevTech	February 19 - 23, 2024
REPORT WRITING AND DISSEMINATION		
Learning Briefs		
Draft Learning briefs	DevTech	March 15, 2024
Learning briefs review comments due to DevTech	DOL/ILAB	March 29, 2024
Revised learning briefs submitted to ILAB	DevTech	April 12, 2024
Learning briefs review comments due to DevTech	DOL/ILAB	April 26, 2024
Revised learning briefs submitted to ILAB and Grantees	DevTech	May 3, 2024
Learning briefs review comments due to DevTech	DOL/ILAB and Grantees	May 10, 2024
Final learning briefs submitted to ILAB	DevTech	May 24, 2024
Evaluation Report		
Initial draft report for review submitted to ILAB and Grantees	DevTech	April 12, 2024
1st round of review comments due to DevTech	DOL/ILAB and Grantees	April 26, 2024
Revised report submitted to DOL/ILAB and Grantees	DevTech	May 10, 2024
DOL/ILAB and Grantees/key stakeholder comments due to DevTech after 2nd round of review	DOL/ILAB and Grantees	May 24, 2024
Revised report in redline submitted to DOL/ILAB and Grantee demonstrating how all comments were addressed either via a comment matrix or other format	DevTech	June 7, 2024
DOL/ILAB and Grantees provide concurrence that comments were addressed	DOL/ILAB and Grantee	June 14, 2024
Final report submitted to DOL/ILAB and Grantees	DevTech	June 21, 2024
Final approval of report by DOL/ILAB	DOL/ILAB	June 28, 2024
Infographic/Brief		

Task	Responsible Party	Date
Draft infographic/brief document submitted to DOL/ILAB	DevTech	April 26, 2024
DOL/ILAB comments on draft infographic/brief	DOL/ILAB	May 10, 2024
Final Written Deliverables		
Editing and Section 508 compliance by DevTech	DevTech	July 19, 2024
Final infographic/brief submitted to DOL/ILAB (508 compliant)	DevTech	July 31, 2024
Final approval of infographic/brief by DOL/ILAB (508 compliant)	DOL/ILAB	July 31, 2024
Final edited report submitted to COR (508 compliant)	DevTech	July 31, 2024
Final edited approved report and infographic/brief shared with grantee (508 compliant)	DevTech	July 31, 2024
Learning Event		
Learning Event for ILAB staff, Grantees and other stakeholders as requested (usually virtual)	DevTech	July 31, 2024

EXPECTED OUTPUTS/DELIVERABLES

Once data fieldwork and stakeholder validation workshops are completed, the evaluation team will work on a series of deliverables. Major deliverables to ILAB include:

- Learning briefs

- Evaluation Report

- Infographics

- Learning events

- Bilingual Social Media Dissemination Campaign

- Final Dataset

All deliverables will be shared as drafts for review from ILAB and the grantees (as appropriate and agreed upon with ILAB). Once final deliverables are approved (learning briefs, evaluation report, infographics), DevTech will make them publication-ready, 508-compliant in Spanish and English.

Learning briefs. Following the stakeholder validation workshop, the team will consolidate the data into learning briefs of around five (5) pages each. The evaluation team will address the learning questions identified in the TOR, main take-aways and recommendations through four project-specific learning briefs (one per project). The briefs will reflect the triangulated results, refined during the stakeholder validation workshops as described above.

Evaluation report. The first draft of the evaluation report will be provided on or around April 12, 2024. The report will present a rationale for the evaluation and methods used to collect the data and discuss the major results of the study to inform the evaluation questions. The report will also succinctly state the conclusions, lessons learned, and emerging practices drawn from the results and present a series of actionable recommendations for future

design and management of related programs. The report should have the following structure and content:

1) Table of Contents

2) List of Acronyms

3) Executive Summary (no more than five pages providing an overview of the evaluation, summary of main results/lessons learned/emerging good practices, and key recommendations)

4) Evaluation Objectives

5) Project Description

6) Listing of Evaluation Questions

7) Results

    a. The results section includes the facts, analysis, and supporting evidence. The results section of the evaluation report should address the evaluation questions. It does not have to be in a question-response format but should be responsive to each evaluation question.

8) Conclusions and Recommendations

    a. Conclusions – interpretation of the facts, including criteria for judgments
    b. Lessons Learned and Emerging Good Practices[75]
    c. Key Recommendations - critical for successfully meeting project objectives and/or judgments on what changes need to be made for sustainability or future programming

9) Annexes –

    a. List of documents reviewed;
    b. Interviews (including list of stakeholder groups; without PII in web version)/meetings/site visits;
    c. Stakeholder workshop agenda and participants;
    d. TOR, Evaluation Methodology and Limitations;
    e. Summary of Recommendations (citing page numbers for evidence in the body of the report, listing out the supporting evidence for each recommendation, and identifying party that the recommendation is directed toward)

The key recommendations will be **action-oriented and implementable.** The recommendations should be clearly linked to results and directed to a specific party to be implemented. It is preferable for the report to contain no more than 10 recommendations, but other suggestions may be incorporated in the report in other ways. The total length of the report

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[75] An emerging good practice is a process, practice, or system highlighted in the evaluation reports as having improved the performance and efficiency of the program in specific areas. They are activities or systems that are recommended to others for use in similar situations. A lesson learned documents the experience gained during a program. They may identify a process, practice, or systems to avoid in specific situations
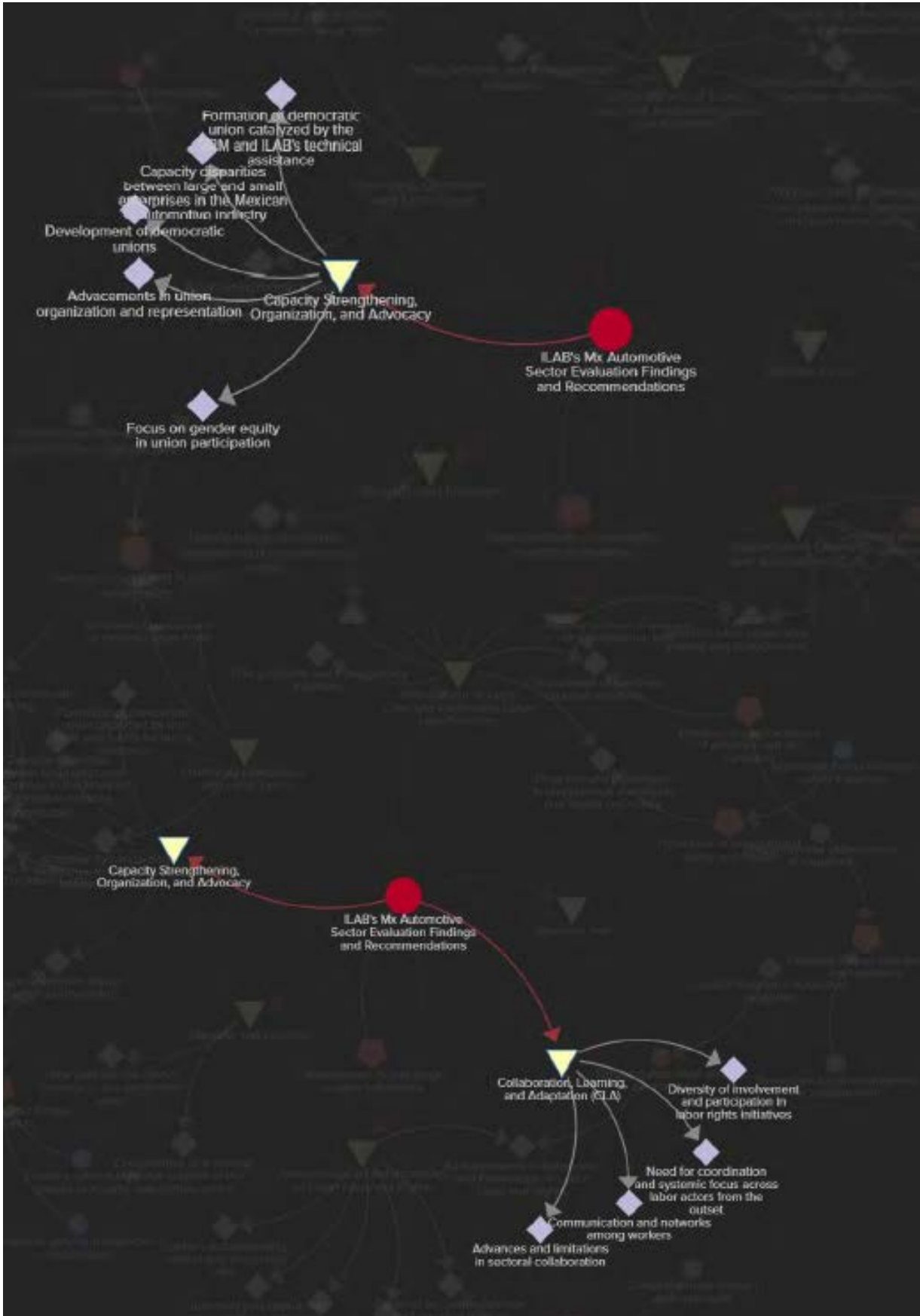
should be approximately 45 pages for the main report (excluding the executive summary and annexes) as this is a multi-project evaluation.

The first draft of the report will be circulated to ILAB and the grantees individually for their review. The evaluation team will demonstrate how they incorporate or addressed comments from ILAB and the grantee/other key stakeholders into the final reports as appropriate, and the evaluator will show what changes have been made and provide a response as to why any comments might not have been incorporated or addressed. A final, 508-compliant version of the evaluation report is anticipated for July 31, 2024.

Infographics. The team will produce two infographics reports that deliver priority data points—determined in consultation with ILAB—in a visually appealing format (4 to 6 pages). The team will draw on DevTech's expertise in data visualization to design a clear and concise infographic. One infographic will highlight key insights from the evaluation report and the other will highlight key learnings from the project-level briefs. The team proposes to share the infographics on or around April 26, 2024 following initial feedback on the draft evaluation report.

Learning briefs/events. The team will coordinate with ILAB and the grantees to schedule two final briefings or learning events that deliver topline evaluation results and actionable recommendations to key ILAB stakeholders. Learning events will synthesize and share key lessons across the selected portfolio appropriate for each target audience after the relevant reports have been finalized. One will be internal, for USG staff, in English. The second one will be external, with the grantees and other stakeholders, delivered in Spanish. These learning events will be conducted using online platforms and will take place in July 2024 following the approval of the evaluation report.

Bilingual social media dissemination campaign. Lastly, the team will create a bilingual (English and Spanish) social media dissemination campaign to assist DOL/ILAB in showcasing the results of the evaluation report and learning briefs to increase knowledge, awareness, and utilization of the evaluation materials. In alignment with the approved communications and dissemination plan/tracker, deliverable 7, the Campaign will take place between June and July, 2024.

ANNEX G. VISUAL REPRESENTATION OF OUTCOMES, FINDINGS, AND RECOMMENDATIONS

Please find here an interactive visual representation summarizing the main outcomes, findings, and recommendations using Kumu: ILAB's MX Automotive Sector Evaluation Findings and Recommendations • Untitled map / Untitled view • Kumu

ANNEX H: DOMAIN LINKAGES

MAPPING TO THE DOMAINS

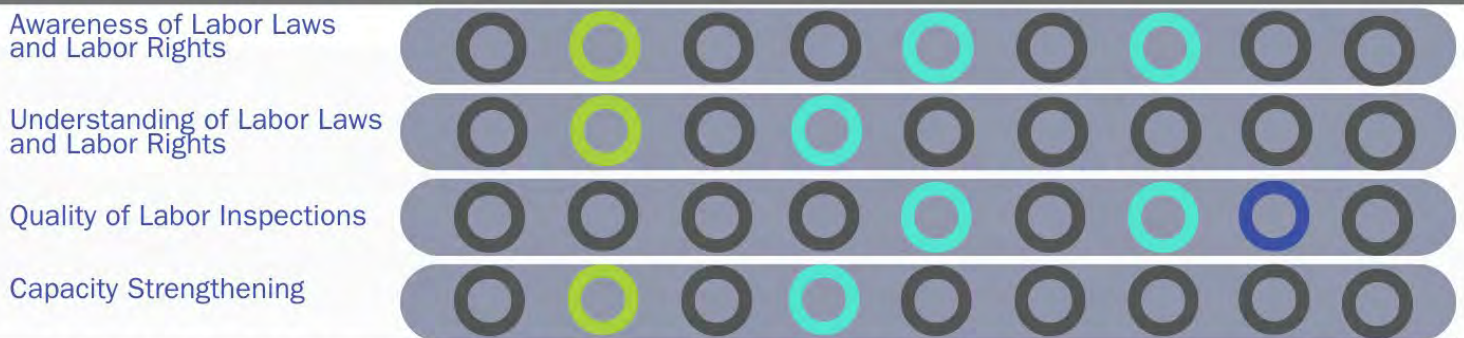**ILAB's Theory of Sustained Change Framework (TOsC) for Worker Rights Programs:**

The Bureau of International Labor Affairs (ILAB) utilizes a robust framework called the Theory of Sustained Change (TOsC) to guide its worker rights programs. ILAB's TOsC identifies nine critical outcome domains that influence positive changes in worker rights, and three distinct types of changes that contribute to sustained improvements in labor rights, each linked to specific outcome domains:

1. Change in Available Capital (Domains 1, 2, 3): This refers to the strengthening of linkages/networks, human capacity, and replacement resources. It focuses on enhancing the resources and capabilities necessary for sustainable change, such as building strong stakeholder networks, fostering skilled workforces, and providing alternative livelihoods.
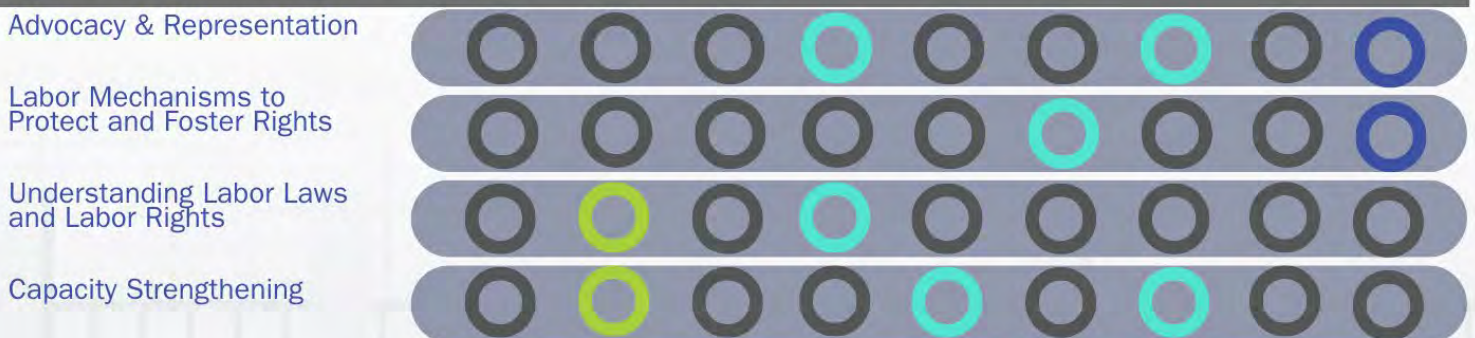
2. Change in Leverage Points (Domains 4, 5, 6, 7): This involves strengthening motivation, demand for services, access to services, and delivery/supply of services. It aims to create favorable conditions for positive change by incentivizing stakeholders, building worker advocacy, ensuring access to crucial support systems, and strengthening service delivery institutions.

3. Change in Causal Mechanisms (Domains 8, 9): This pertains to the improved utilization of services and adoption of behaviors and practices associated with improved workers' rights. It focuses on the actual implementation and impact of interventions, ensuring that desired changes in behaviors and practices are achieved and sustained through increased service utilization and widespread adoption of improved worker rights practices.

AWARENESS AND UNDERSTANDING OF LABOR LAWS AND RIGHTS

Awareness of Labor Laws and Labor Rights

Understanding of Labor Laws and Labor Rights

Quality of Labor Inspections

Capacity Strengthening

CAPACITY STRENGTHENING, ORGANIZATION, & ADVOCACY

Advocacy & Representation

Labor Mechanisms to Protect and Foster Rights

Understanding Labor Laws and Labor Rights

Capacity Strengthening

AVAILABLE CAPITAL			LEVERAGE POINTS				CAUSAL MECHANISMS	
1	2	3	4	5	6	6	6	6
LINKAGES/ NETWORKS	HUMAN CAPACITY	REPLACEMENT RESOURCES	MOTIVATION/ MENTAL MODELS	DEMAND FOR SERVICES	ACCESS TO SERVICES	DELIVERY OF SERVICES	UTILIZATION OF SERVICES	BEHAVIORS AND PRACTICES

MAPPING TO THE DOMAINS

ENFORCEMENT OF LABOR LAWS & ADDRESSING LABOR LAW VIOLATIONS

- Labor Mechanisms to Protect and Foster Rights
- Quality of Labor Inspections
- Understanding Labor Laws and Labor Rights
- Capacity Strengthening
- Coordination of Enforcement Bodies

PROMOTING COMPLIANCE WITH LABOR LAWS

- Advocacy and Representation
- Understanding Labor Laws and Labor Rights
- Awareness of Labor Laws and Labor Rights
- Prevent and address Labor Law Violations
- Capacity Strengthening
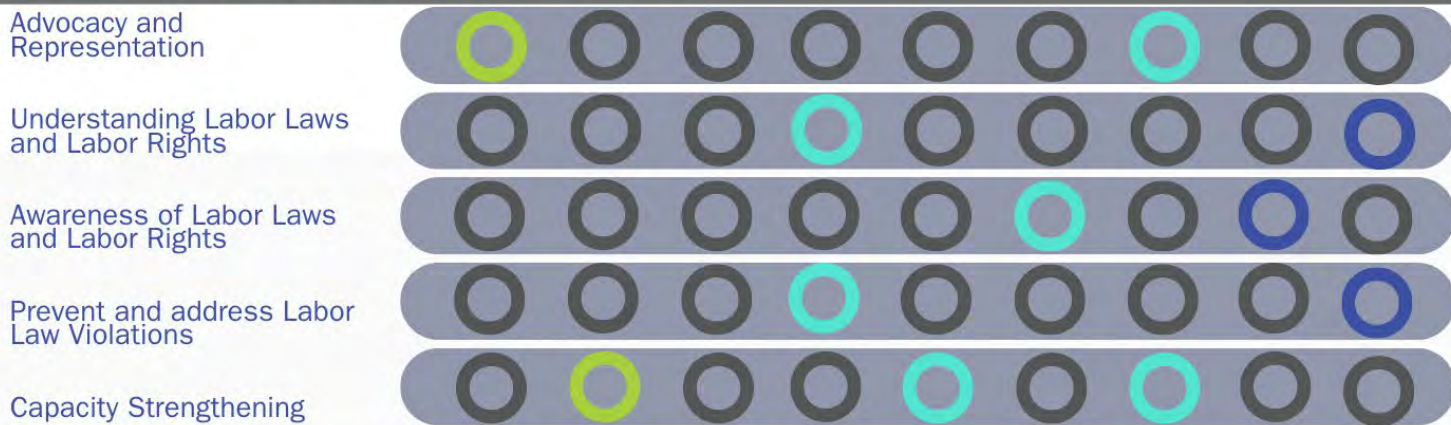
COLLABORATION, LEARNING, & ADAPTATION

- Capacity Strengthening
- Labor Mechanisms to Protect and Foster Rights

RESOURCE USE

- Resource Use

AVAILABLE CAPITAL			LEVERAGE POINTS				CAUSAL MECHANISMS	
1	2	3	4	5	6	6	6	6
LINKAGES/ NETWORKS	HUMAN CAPACITY	REPLACEMENT RESOURCES	MOTIVATION/ MENTAL MODELS	DEMAND FOR SERVICES	ACCESS TO SERVICES	DELIVERY OF SERVICES	UTILIZATION OF SERVICES	BEHAVIORS AND PRACTICES