

INVESTING IN MEXICO'S AUTO WORKERS FOR SUSTAINABLE GROWTH

INSIGHTS, LESSONS LEARNED, AND EMERGING GOOD PRACTICES garnered from a systems evaluation of the U.S. Department of Labor, Bureau of International Labor Affairs' technical assistance activities within Mexico's automotive sector

The automotive industry represents a significant proportion of the Mexican economy. Notably, the automotive industry makes up 3.6 percent of the country's GDP and 18 percent of the manufacturing sector's GDP and provides jobs for over one million Mexicans.¹ However, a multifaceted, systems-based approach is required to strengthen labor standards, enforce labor commitments, and promote racial and gender equity to safeguard dignity in the workplace within this sector.

The Bureau of International Labor Affairs (ILAB) within the U.S. Department of Labor (USDOL) oversees efforts to ensure global workers receive fair treatment and benefit from the global economy by focusing on strengthening labor standards, enforcing commitments, and combating child labor, forced labor, and human trafficking. ILAB's Office of Trade and Labor Affairs (OTLA) further seeks to ensure fairness in U.S. trade agreements, employing various tools to monitor compliance and enforce commitments to support American workers and allow for fair competition. Specifically, ILAB monitors labor commitments in the United States-Mexico-Canada Agreement (USMCA), with \$180 million allocated for technical assistance projects to aid Mexico in meeting its labor obligations.

This series of learning briefs captures key insights, lessons learned, and emerging good practices garnered during an evaluation conducted by DevTech Systems, Inc. between 2023 and 2024. ILAB commissioned the evaluation to enhance its own, as well as other key system actors' understanding of how its technical assistance in the automotive sector is advancing Mexico's labor standards through a systems-based approach. Drawing upon the evaluation's mixed-methods approach, these insights, lessons learned, and good practices seek to amplify

¹ International Trade Administration. "[Mexico's Automotive Industry](https://www.trade.gov/country-commercial-guides/mexico-automotive-industry)" (<https://www.trade.gov/country-commercial-guides/mexico-automotive-industry>).

various system actors' voices and their contributions to Mexico's automotive sector, including ILAB's technical assistance.

- **System actors** encompass workers and employers within the automotive industry, labor unions and associations, civil society, government representatives, academia, and international implementing partners.
- **Key insights and lessons learned** are pieces of knowledge or understanding gained through experience. The most useful learning integrates experience from both successful outcomes and those that did not go as planned.
- An **emerging good practice** is a process, practice, or system that has improved the system's performance and efficiency in specific areas. Emerging good practices also include recommended considerations for future programming in similar situations.

To inform the evaluation, the evaluation team gathered insights from four sampled multi-year, multi-state interventions.

USDOL ILAB's Mexico Automotive Sector Technical Assistance, Sampled Interventions

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

In accordance with ILAB's Theory of Sustained Change (ToSC) aimed at achieving enduring improvements in workers' rights, these briefs highlight emerging good practices within the ToSC's three change categories:

- Mobilize **available capital** or resources accessible to communities in bolstering labor rights. This encompasses fortifying linkages, fostering networks, strengthening human capabilities, and identifying replacement resources.
- Pinpoint **leverage points** and motivate system actors to alter causal mechanisms that foster improved worker rights. Priority leverage points encompass the demand for, access to, and delivery of services.
- Influence **causal mechanisms** to enhance adherence to fundamental labor rights by encouraging system actors to utilize services and adopt behaviors that ultimately result in upholding worker rights.

LEARNING QUESTIONS

Reflecting upon the thematic topics that emerged during consultations with system actors and the development of ILAB's theory of change guiding its technical assistance approach to the Mexico automotive sector, this series of briefs seeks to answer the following four learning questions:

1. What lessons and emerging good practices can be drawn from USDOL/ILAB's efforts to disseminate knowledge and raise awareness among workers and worker-led organizations, employers, chambers of commerce, and the government on labor laws and labor rights?
2. What lessons and emerging good practices can be drawn from USDOL/ILAB's efforts within Mexico's automotive sector to enhance enforcement agencies' capacities to prevent and address labor law violations?
3. What lessons and emerging good practices can be drawn from USDOL/ILAB's efforts within Mexico's automotive sector to promote federal and state authorities as well as employers, labor unions, worker organizations, confederations, and workers' compliance with labor laws and labor rights?
4. What lessons and emerging good practices can be drawn from USDOL/ILAB's efforts aimed at strengthening the capacity of system actors, notably employers and workers, within Mexico's automotive sector?



Please refer to the [evaluation report](#) for additional information and insights on how ILAB's technical assistance is supporting sustainable change in Mexico's automotive sector's labor relations system.

