SHIFTING MINDSETS

EQUIPPING WORKERS AND WORKER-LED ORGANIZATIONS WITH THE KNOWLEDGE AND AWARENESS OF LABOR LAWS AND RIGHTS IN MEXICO TO PROMOTE A SAFE AND EQUITABLE WORKPLACE

The limited knowledge of labor laws and labor rights across the entire Mexican automotive system makes it difficult to ensure the safety and fair treatment of workers. Prioritizing knowledge building and awareness raising allows system actors to contribute to a more equitable and safe work environment. The Bureau of International Labor Affairs' (ILAB) technical assistance directly addresses this issue by actively promoting diverse system actors' knowledge and comprehension of labor laws and rights.

Building knowledge and awareness of labor laws and rights across the Mexico automotive sector encompasses three distinct types of stakeholders or systems actors: (1) workers and worker-led organizations, (2) employers and chambers, and (3) the government at three different but interconnected levels: federal, state, and local. In line with the USMCA's labor reform provisions, which prioritize certain sectors and a phased roll-out at the state level, ILAB's efforts focus on the following states: Baja California, Chihuahua, Coahuila, Guanajuato, Estado de Mexico, Jalisco, Mexico City, Nuevo León, Puebla, Querétaro, and San Luis Potosi. These endeavors collectively contribute to ILAB's objectives and goals toward strengthening labor rights and supporting a safe and healthy environment for workers.



Please refer to the <u>evaluation report</u> for additional information and insights on how ILAB's technical assistance is supporting sustainable change in Mexico's automotive sector's labor relations system.

This learning brief 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 is advancing Mexico's labor standards through a systems-based approach. Drawing upon the evaluation's mixed-methods approach, these key insights, lessons learned, and emerging good practices seek to amplify various system actors' voices and their contributions to the labor landscape within Mexico's automotive sector, including ILAB's technical assistance.

ILAB employs a comprehensive strategy to raise awareness, advance understanding of labor reforms, and empower communities through various projects. These include:

- The <u>Mexico Awareness Raising Project</u> (MAP) helps communities, particularly workers employers, federal and local government leaders, and union leaders, understand labor reforms and adapt to Mexico's changing labor landscape.
- The <u>Engaging Workers and Civil Society to Strengthen Labor Law Enforcement Project</u> enhances the ability of workers and civil society groups to address labor law violations.
- The Engaging Mexico's Auto Sector Employers in Labor Law Reform Implementation <u>Project</u> focuses on the automotive industry, urging employers to comply with reforms and create conducive work environments for better industrial relations.

PROJECT SPOTLIGHT

MAP illustrates ILAB's strategy, with a specific emphasis on educating system actors about the recent labor law reform. The project enables actors to leverage Mexico's reformed labor systems to safeguard their rights and efficiently navigate labor disputes.

Additionally, it enhances the ability of government staff and citizens to engage in activities aimed at promoting labor rights and implementing labor reform. Furthermore, this project aims to improve dialogue among business associations, employers, and worker organizations and exchanges of best practices on enforcing labor rights through activities that promote discussions about clear and practical procedures. **Key Insight and Lesson Learned 1:** Empowering automotive system actors through greater awareness raises their stake in enforcing labor laws and advocating for worker rights.

By providing additional resources, such as funding for comprehensive capacity-strengthening campaigns and targeted training programs, donors and implementing partners significantly enhance the awareness and knowledge of labor laws among workers, worker-led organizations, and employers, as demonstrated by ILAB's technical assistance. This approach not only increases the actors' understanding of their rights and responsibilities but also helps establish stronger linkages within the network of labor rights stakeholders in the Mexico automative sector, fostering collaboration and mutual understanding at local, state, and federal levels. Consequently, these strengthened connections lead to more effective implementation and enforcement of labor regulations. Furthermore, leveraging digital platforms and communication channels that are culturally appropriate broadens the reach of these initiatives, engaging a wider audience and maximizing the impact of educational efforts on labor rights awareness. Additionally, investing in culturally relevant and linguistically accessible materials and workshops ensures a deeper comprehension of labor laws, which, as part of ILAB's strategy, has led to more informed decision-making among workers and employers.

Key Insight and Lesson Learned 2: Practical training and capacity building empower workers with the skills they need to drive real-world labor reforms.

Local actors, donors, and implementing partners achieve greater impact by sharing costs to deliver practical, on-the-job training tailored to diverse worker needs. This collaborative approach leverages existing resources to scale up programs, empowers local ownership, and ensures accessibility, effectiveness, and continuity. As demonstrated by ILAB and its grantees, donors and implementing partners elevate existing efforts of industry experts, such as universities or training institutions, optimizing the delivery of practical knowledge while strengthening local infrastructure. This approach enhances the relevance and applicability of knowledge in real-world scenarios. Additionally, universities and training institutes bridge the gap between theoretical knowledge and practical application by integrating real-world scenarios into capacity-strengthening activities. This empowers workers with the skills and confidence to navigate complex labor environments effectively.

"The organization forces change. There is the demand of the workers and the firm position of the union. [...] The best labor inspector is the trade union." (Worker Organization)

Key Insight and Lesson Learned 3: Providing workers with training fosters trust and confidence, irrespective of gender, and encourages workers to participate in labor advocacy.

When donors and implementing partners allocate resources toward targeted outreach initiatives and capacity-building programs that extend beyond union structures and emphasize female workers, they reinforce and establish inclusive linkages among system actors, addressing the specific barriers workers face in accessing labor rights education. Leveraging community networks and grassroots organizations to mobilize activities facilitates direct engagement with workers, fostering trust and promoting participation in educational activities. Additionally, by equipping workers with practical tools and resources such as legal assistance hotlines, donors, implementing partners, worker-led organizations, employers, and business chambers empower workers to assert their rights in the workplace, leading to improved working conditions and other positive outcomes.

"As a union, we are working to ensure that the workers we represent are treated fairly regardless of gender, origin, or identity." (Worker Organization)

Key Insight and Lesson Learned 4: Enhancing perceptions of labor institutions boosts their ability to actively encourage and oversee organizing efforts, amplifying their presence and impact.

As demonstrated by ILAB's technical assistance deployed under the Improving Working Conditions in the Mexican Automotive Supply Chain (CALLE) project, investments from donors and governments in initiatives to improve the transparency and efficiency of labor institutions foster trust and credibility among workers and employers. This, in turn, improves workers' and employers' perception of these entities as well as their understanding of the connections between these entities. Fostering collaboration with civil society organizations and independent watchdogs helps donors, implementing partners, and government institutions establish oversight and accountability mechanisms that enhance the effective functioning of labor institutions. Additionally, when government institutions implement reforms to streamline administrative processes and reduce bureaucracy, as seen in ILAB's collaboration with the Federal Center for Conciliation and Labor Registration, they enhance the responsiveness and effectiveness of labor institutions. This, in turn, fosters workers' and employers' positive perception of the labor institutions and builds trust between these institutions and the communities they serve.

"There have been improvements for two reasons. First, because now we do a smarter, more precise job. Now we're getting to this industry that's having problems; and second, as we're getting to this industry that's having problems, the periphery or other similar industries are trying to correct their problems." (Host Country Government)

Key Insight and Lesson Learned 5: Encouraging employers, notably senior and middle management, human resources, and other key decision-makers, to understand labor reform ensures their participation and collaboration in fulfilling regulatory labor rights.

Financial incentives or subsidies for businesses, particularly small and medium-sized enterprises (SMEs) with 10 to 250 employees, to participate in training and capacity-building programs on labor reform promote compliance and understanding. ILAB's efforts demonstrate that when donors and implementing partners engage with industry associations and chambers of commerce, they create pathways to disseminate information and resources for labor reform more broadly. Moving forward, ILAB should consider a greater emphasis on reaching SMEs and middle management, where the need for such knowledge is greater. Additionally, such support would benefit from customized advisory services and technical assistance provided to businesses, including SMEs to address specific challenges or concerns regarding labor reform, fostering a better understanding and implementation of regulatory requirements. **Key Insight and Lesson Learned 6:** Developing workers' capacity and increasing collaboration has democratized unions in the Mexican automotive sector.

ILAB's investment in capacity-building initiatives for existing independent union leaders and members, as well as new and emerging independent unions, has strengthened democratic processes within unions, promoting transparency and representation. When donors and government actors use their convening power to facilitate dialogue and encourage collaboration between democratic unions, other civil society organizations, and employers, they foster a culture of inclusivity and accountability within the labor movement. Disseminating the successes of democratic unionism, such as those demonstrating positive contributions to labor relations and workplace democracy, shifts attitudes and encourages more workers to engage with and support democratic unions. As ILAB's initiatives demonstrate, efforts to democratize union governance structures and decision-making processes empower members to actively participate in shaping union priorities and agendas, leading to more responsive and representative organizations.

Key Insight and Lesson Learned 7: Improving workers' and the general public's understanding of labor inspections boosts workers' and employers' demand for increased quality and accountability.

The allocation of government, civil society, and donor-funded resources toward public awareness campaigns and training programs on labor inspections enhances workers' and employers' understanding and utilization of enforcement mechanisms. These system actors often lack clarity regarding the processes of labor inspections, interpretation of findings, and the impact of outcomes on them. Collaborating with media outlets and social influencers amplifies donor messaging, as demonstrated by ILAB's technical assistance on the importance of labor inspection and workers' rights, helping to reach a broader audience and generate public interest. Additionally, when donors, government, and civil society organizations provide accessible and user-friendly information on labor inspection procedures and rights, they empower workers to advocate for their interests and hold employers accountable for compliance, ultimately strengthening labor protections and enforcement efforts. **EMERGING GOOD PRACTICE 1:** Promoting Gender Equality and Non-Discrimination Labor Rights in the Workplace

The Gender Equality and Non-Discrimination in the Workplace workshop, implemented by Pan American Development Foundation (PADF), has shown potential in 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. Continuous refinement and expansion of similar initiatives are crucial to ensure the development of a truly equitable and inclusive work environment.

EMERGING GOOD PRACTICE 2: Supporting Local Actors to Develop and Refine Policies

The collaboration between the ILAB-funded Strengthening Government Labor Law Enforcement (SGLLE) Project and the Federal Center for Conciliation and Labor Registration (CFCRL) in developing and refining policies has led to a marked improvement in 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, it is crucial to 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 other organizations and government institutions engaged in similar efforts to improve labor law enforcement or labor policy development.

