



FINAL EVALUATION BRIEF | NOVEMBER 2024

# BUILDING AN INDEPENDENT & DEMOCRATIC LABOR MOVEMENT TO PROTECT WORKER RIGHTS IN MEXICO (SC3)

## BACKGROUND

Historically, Mexico's labor relations system was characterized by a corporatist model in which undemocratic protection unions aligned with the ruling party and employers represented workers only in setting social and economic policies. Workers were not able to organize freely and sign independent bargaining agreements. In 2018, a trade agreement was signed between Mexico and the United States, the United States-Mexico-Canada Agreement (USMCA) which contains labor clauses requiring signatories to adopt and maintain concrete measures to ensure respect for fundamental principles and rights at work. In 2019, the Mexican government approved the Labor Law Reform that overhauled the former union structure and created an opening to democratically elect independent union leaders. This reform recognized the right of workers to organize and engage in collective bargaining, prohibited employer interference, and required existing agreements to be revisited. The USMCA and the Labor Law Reform created an environment in Mexico more conducive to labor reform and worker organizing than ever before.

## PROJECT DESCRIPTION

In 2022, the Bureau of International Labor Affairs (ILAB) awarded a USD \$10 million cooperative agreement to the Solidarity Center (SC) to implement SC3. In 2023, SC received additional funding of USD \$10.75 million, and an extension until July 2026, for a total project award of \$20.75 million. This project aims to strengthen the capacity of unions to organize by negotiating and legitimizing collective bargaining agreements, establishing sustainable institutions and infrastructure, and fostering social dialogue. Target industries include the automotive, auto parts, aerospace, call centers, electronics, textiles, industrial bakeries, logistics, and mining sectors. The key activities to date include technical capacity-building and infrastructure for unions, including Worker Centers.

## EVALUATION BACKGROUND

ILAB leads the U.S. Department of Labor's (USDOL) efforts to ensure fair treatment for workers globally.

ILAB contracted DevTech Systems, Inc. (DevTech) to conduct a series of high-quality interim performance evaluations of SC2 and SC3 in Mexico, funded by the Office of Trade and Labor Affairs (OTLA) and implemented by the SC.

The core objectives of the evaluation were to: (1) Take stock of the extent to which the project is making progress toward achieving their intended outputs and outcomes; (2) Identify challenges and emerging opportunities; (3) Analyze the factors driving project performance; (4) Identify leverage points that hold transformative potential; and (5) Recommend time-bound, practical actions to be taken by different project stakeholders to improve project performance and effectiveness moving forward.

The interim performance evaluation used a utilization-focused, qualitative, and participatory approach. The evaluation questions and key findings are guided by the core evaluation criteria of ILAB technical assistance programming: relevance, effectiveness, coherence/alignment, equity/inclusion, and sustainability.

**Across the evaluation of both SC2 and SC3, 41 Key Informant Interviews (KIIs) and 17 Focus Group Discussion (FGDs) with a total of 86 people were conducted remotely and in-person in San Luis Potosi, Queretaro, and Mexico City, Mexico, from April to June 2024.**



## KEY EVALUATION RESULTS

Key Findings are presented below organized by evaluation criteria.



**RELEVANCE** -The project’s overall strategy identifies the changes needed to operationalize the 2019 Labor Law Reform and build an independent and democratic labor movement. SC’s overall bottom-up and worker-led approach is adaptable and responsive to the needs of worker organizations and fosters ongoing support and engagement and is thus relevant. **Participants in both formal and informal capacity-building training sessions utilized the acquired knowledge to directly address their specific needs and create their own independent and democratic organizations, legitimize contracts, and negotiate CBAs, which ultimately led to an increase in salaries and improvement in working conditions.**

SC campaigns resulted in over 30,000 workers taking part in independent and democratic unions.

The most successful campaign that SC and its partners produced was within a Goodyear factory. This campaign led to a negotiated agreement that became an "absolute" or legal contract (Contrato Ley de la Industria Huler). The absolute contract affects 5,000 rubber workers. This campaign ensured that companies across the rubber sector paid workers a fair wage, thus producing a sectoral change in the labor conditions of rubber workers.



**EFFECTIVENESS** - SC and its partners are on track to achieve most but not all mid-term and long-term outcomes. SC has been successful at supporting workers to organize through campaigns. The tangible ‘wins’ create a multiplying effect as they serve to motivate other workers and increase knowledge of key processes. However, institution building activities, such as coalition strengthening, need to be accelerated to provide enduring safety nets for workers and SC should take sufficient steps to achieve objectives related to ‘data-driven dialogue’ with the private sector and the Mexican government.

At midpoint, SC3 has made good progress towards achieving most of its long-term outcomes. SC successfully supported worker organizations to negotiate CBAs, which ultimately improves working conditions and livelihoods. SC has also supported networking and relationship building between worker organizations while simultaneously raising their capacity as organizations. However, there is a lack of engagement between different actors to reach a productive ‘dialogue,’ specifically between workers, the Mexican Government, and the private sector.

TABLE: SC3 PERFORMANCE RATINGS

	ACHIEVEMENT	SUSTAINABILITY	EQUITY
<b>OUTCOME 1:</b> Increase collective bargaining through agreements negotiated by independent and democratic unions.	Above moderate	Above moderate	Above moderate
<b>OUTCOME 2:</b> Establish sustainable infrastructure for collective action at the national level by independent and democratic unions.	Moderate	Moderate	Moderate
<b>OUTCOME 3:</b> Improve social dialogue among democratic unions, employers, and government entities centered on improving wages and working conditions.	Low	Low	Low

The performance rating scale includes four rating options: Low, Moderate, Above Moderate, and High.



**COHERENCE**- SC's Mexico Strategy (2022-2028) aligns with the project's objectives. The project's objectives align with several of the strategies' key axes. There is evidence of project-level adaptation based on lessons learned.

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**EQUITY AND INCLUSION**- SC works with marginalized and underserved populations, particularly low-income workers and unionized female workers. SC approaches workers and gauges their interest in unionizing regardless of any individual or group characteristic (ethnic minority, migrant workers, etc.). The involvement of LGBTQ+ and workers with disabilities in project activities tends to be circumstantial, instead of purposeful or intentional. A specific strategy for marginalized workers from these groups may yield entry points for persisting unmet needs.

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**SUSTAINABILITY**- SC's supportive and worker-led approach helps to embed key knowledge that is more likely to be retained by workers than other methods, such as supply-driven training.

The project supported the creation of institutions, such worker-led Worker Centers and national-level worker organizations, that with time may provide important safety nets and sustainable support for the emerging independent and democratic unions. The formalization and strengthening of coalitions and institutional growth of Labor Centers need to be accelerated. This will ensure that sustainability and scalability of capacity strengthening and organizing is more likely to be achieved after the end of the project.

The SC3 sustainability strategy, updated in April 2024, intends to write a plan during the project's third year, and outlines its commitment to ownership, leadership development, institutional linkages, and a process of disengagement.



**IMPACT**- The applied research conducted by the Labor Center led to evidence-based decisions related to which sectors could be organized. However, research was not shared with workers, and Labor Centers have not developed sufficient relationships with worker organizations. Strategic corporate research skills provided by the Union School were transformational for workers and their organizations. Workers and their organizations used the new skills to increase their understanding of their employer's corporation structure and financial performance.

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## CONCLUSION

SC's overarching achievements in organizing workers, strengthening organizations, operationalizing the Labor Law Reform, and embodying democratic values to advance workers' rights are historic. The organizational success can be attributed to SC's bottom-up approach. While this approach is successful and based on decades of learning and adaptation, it is time- and labor-intensive. At this junction of the project implementation, SC and partners need to consolidate their gains while replicating and scaling campaign efforts and supporting institution-building for long-term movement building.

According to interviews with workers, the fears of wrongful dismissal and retribution towards organizing have not diminished and are likely to remain. However, the workers' motivation to organize has increased, as the project allowed them to witness and experience tangible 'wins' through campaigns and by negotiating better terms in collective bargaining agreements. Workers' enthusiasm and optimism towards improving their organizations were palpable, while they remain cautiously aware that there is much more to do.

## KEY RECOMMENDATIONS

### SC AND IMPLEMENTING PARTNERS

- 1. Strengthen Collaboration and Planning:** Organize a SC staff-all workshop and one with partners to ensure sufficient synergies between actions.
- 2. Refine Objectives and Definitions:** Revisit key definitions and expectations related to SC2 and SC3 Long Term Outcome 3 related to the improvement of social dialogue with ILAB.
- 3. Refine Monitoring and Reporting Procedures:** Revisit the data collection requirements for indicator reporting that could harm the project participants, such as signature requirements at Worker Centers.
- 4. Scale-Up Capacity Strengthening.** Continue with a worker-led and accompaniment approach while conducting systematization of capacity strengthening topics, themes, processes, learnings, and good practices to support the sustainability of partner institutions.
- 5. Prioritize Sustainability:** Accelerate activities and consolidate achievements related to sustainability.
- 6. Strengthen Worker Networks:** Accelerate the creation of coalitions or networks of democratic unions, researchers, and labor lawyers to ensure the sustainability of the project outcomes.
- 7. Deepen Equity and Gender Integration:** Create an equity and gender mainstream plan that is practical and achievable.
- 8. Enhance Communication Strategy:** Increase communication efforts regarding project results for greater visibility that can address the needs of various stakeholders, including workers and the U.S. government, with an aim to support narrative change.

### USDOL-ILAB

- 9. Plan for the Future:** Conduct risk analysis and scenario planning to evaluate the potential outcomes for newly formed worker organizations and institutions if there are no substantial changes to Mexico's operating space and the close relationship between the Mexican government and corporatist employer unions.

### MEXICAN GOVERNMENT (FEDERAL LEVEL)

- 10. Promote Existing Frameworks:** Continue to be open to collaborate, engage in dialogue, and promote the 2019 LLR and the USMCA Rapid Response Mechanism.



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