

EVALUATION LEARNING BRIEF | May 2025 PROGRAM EVALUATION OF USDOL ILAB'S TECHNICAL ASSISTANCE IN MEXICO UNDER THE USMCA: KEY RESULTS AND LEARNINGS

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KEY RESULTS

This brief summarizes the key contributions from the ILAB-funded technical assistance to five domains of change. The following outcomes emerged as the Most Significant Changes from a comprehensive sample of respondents. The list is not exhaustive, and the results illustrate the mechanisms of change with clear descriptions of ILAB's contributions to the outcomes. We also identified a case of lack of change in Domain 5.

PROGRAM OVERVIEW

The U.S. Department of Labor's Bureau of International Labor Affairs (ILAB) monitors Mexico's implementation of its labor commitments under the U.S.-Mexico-Canada Agreement (USMCA) and supports compliance through technical assistance projects funded by the agreement's \$180 million implementing legislation.

The 19 projects in the portfolio worked with government, worker organizations, private sector, academia, media, and civil society to improve Mexico's capacity to implement its labor reforms; respect labor rights enshrined in the Constitution and in ILO's Declaration on Fundamental Principles and Rights at Work; and combat child labor and forced labor.

USDOL commissioned NORC at the University of Chicago to conduct an independent program evaluation to identify outcomes and contributions of ILAB's Portfolio of Technical Assistance in Mexico under the USMCA.

Full report results and learning materials are available at <u>NORC's website</u>.

Domain 1. Worker Advocacy for Labor Rights

- Child labor stopped or decreased in target sugarcane fields and coffee plantations in 24 communities in Veracruz and Oaxaca (2022-2023).
- Workers at 5 target exporting companies in Coahuila, Morelos and San Luis Potosí democratically elected independent unions (2020-2023).
- Target agricultural workers in Oaxaca and Veracruz began advocating for their employers to adopt OSH measures (2023).
- Four independent mining and automotive unions in Coahuila, San Luis Potosi and Morelos established transparent practices to handle union member dues (2022-2025).
- Five independent mining, automotive and industrial manufacturing unions in Coahuila, Guanajuato, Morelos, and San Luis Potosí gained formal registration and ratified their CBAs (2022-2024).
- In one to nine months, three independent unions and a worker organization, representing over 10,000 eligible workers, obtained employer recognition and respect for labor rights, influenced by the USMCA's Rapid Response Labor Mechanism (RRLM) (2021-2023).

Domain 2. Private Sector Labor Practices

 A sugar mill in Veracruz created a corporate social responsibility (CSR) unit to prevent child labor and protect cane cutters (2024). Also, five sugarcane mills in Jalisco, Nayarit and Veracruz invested in OSH measures, reducing work accidents (2023-2024).

- An automotive company in San Luis Potosí created a long-term program to prevent domestic and workplace gender-based violence, ratified in the collective bargaining agreement (CBA).
- Influenced by potential RRLM sanctions, dozens of large exporting companies, primarily in Central and Northern states, have modified their relations with unions to comply with the 2019 Labor Reform as specified by the USMCA Agreement (2019-2024).

Domain 3. Strengthening the New Labor Justice and Conciliation Systems

- In 2023, the Federal Center for Conciliation and Labor Registry (FCCLR) created the Labor Registry Information Repository (<u>RIRL</u>), providing public access to over 600,000 digital labor documents.
- Between 2022 and 2024, ILAB-funded interventions to support platforms SINACOL and SIGNO² at Nuevo León's Labor Conciliation Center (LCC) have contributed to increase the rate of completed cases within 45 days to 81 percent, consistently above federal jurisdictional cases in the state. Additionally, supporting the Chihuahua LCC to streamline its processes and generate a civil service manual contributed to complete 88 percent of labor conciliation cases within 45 days or less, also superior to federal cases in the state.
- The State of Mexico labor courts have resolved 52 percent of cases in seven months or less. Several actors, including the ILAB-funded technical assistance, have supported the state's judiciary to build capacity, create procedural and organizational manuals, a labor dossier system and job profiles to staff the courts (2020-2024). ILAB's technical assistance also led the creation of a <u>Labor Bench Book</u> to provide additional resources to federal and state judges on implementing the new procedures in collective labor law.

Domain 4. Eliminating discrimination in employment and occupation and promoting equality of women and men

- 562 women in participating communities in Oaxaca (259) and Veracruz (303), increased their household income by starting or expanding their businesses in various fields (2023–2024).
- 210 female coffee producers in target communities in Oaxaca (19) and Veracruz (191) became more involved in positions in the coffee production process that traditionally had been conducted by men and increased the sale price of their coffee from \$1.50 to \$2.50 USD per pound (2023–2024).
- Female workers at a maquiladora company in Nazareno, Durango elected the independent union Liga Sindical Obrera Mexicana to renegotiate a CBA that secured better benefits for workers (2024).
- More female workers in independent and national unions in Coahuila, Jalisco, Morelos, and San Luis Potosí have gained positions as delegates in union leadership bodies (2021-2024).

Domain 5. Labor rights enforcement, inspections of labor standards, dissemination, and coordination

- The Federal Inspectorate at the Ministry of Labor (STPS) increased its collaboration with its General Direction of Statistics to promote efficiency of inspection visits through machine learning development (2019-2024).
- Labor inspections in Querétaro became more efficient and collaborative. Inspectors conducted more thorough protocol reviews, spent additional time assessing workers' conditions, and worked cooperatively with employers to resolve and prevent potential OSH and labor rights violations (2023-2024).
- Since 2022, Baja California's labor inspectors have not visited agricultural facilities in the San Quintín Valley. Community members reported violations of OSH standards, child labor, and low awareness of labor rights.

KEY LEARNINGS

We summarize herein representative outcomes, effective portfolio contributions, and sustainability conditions.

INDEPENDENT UNIONS

ILAB's technical assistance supported workers in all priority USMCA economic sectors to organize, win union elections, and ratify collective bargaining agreements (CBAs) by combining formal training, informal advice, and one-on-one consultations on CBAs, union representation, and freedom of association (FOA). Travel

ILAB efforts to create independent unions supported their ability to file claims under the USMCA's RRLM.

assistance enabled workers to attend additional training and participate in CBA negotiations with employers. An ILAB-supported media campaign further advanced efforts to elect independent unions and ratify CBAs

SUSTAINABILITY. While legally protected under the 2019 labor reform, democratic unions rely on union fees for sustained independence; most recently, registered unions were still not receiving member dues. Also, concerns about some employers and union federation leaders favoring non-democratic practices persist, making ongoing worker training vital for union democracy.

OSH Standards in the Sugarcane Industry

ILAB-funded interventions provided sugarcane workers with personal protective equipment (PPE) and training, adapted PPE based on worker feedback and capitalized on built trust with them to transform

workers' attitudes towards PPE and occupational safety practices. These projects provided PPE to employers, measured the changes associated with its use and adaptation, and demonstrated results to generate incentives for employers to adhere to occupational safety and health (OSH) practices.

SUSTAINABILITY. Workers trained in OSH were informally advocating for better workplace conditions and local social improvement brigades have monitored canecutter practices in target communities. However, overall compliance with OSH standards still depended on the willingness of sugar mills and sugarcane producers, which had not been yet formalized. Certification on ethical sourcing Ongoing project presence and direct engagement with communities built trust, deepened understanding of local norms and values around gender roles, child labor and connection to the land. This trust helped projects shift local attitudes and behaviors.

could further incentivize sugar mills to sustain OSH efforts, but progress also depends on consumer pressure, further local collaboration, and recognition of the economic benefits from PPE and OSH practices. Enforcement of standards through labor inspections is also key to sustaining their adoption.

COMBATING GENDER-BASED VIOLENCE (GBV) AT THE WORKPLACE

By funding an academic program and consulting services, ILAB's technical assistance contributed to establishing a long-term program to support the prevention of GBV at a multinational automotive company. Female workers receive days off to recover from instances domestic violence and support to file police reports. The mechanism also prevents and sanctions any instances of GBV and harassment at the workplace.

SUSTAINABILITY. The program was included in union negotiations and workers ratified its implementation in the CBA. The company has implemented the program since 2023 with the union's support.

PROMOTING EQUALITY OF WOMEN AND MEN IN THE WORKPLACE

Portfolio strategies have worked on advancing women's ability to become financially independent in rural areas and incorporate female workers interested in CBA negotiations. The portfolio engaged men and women in its efforts to enable women's broader participation to make decisions and profit in the coffee value chain, connecting female coffee producers with buyers, and providing training and support to women producers to improve coffee quality and start their own businesses. At maquiladora facilities, female workers received home visits to report situations of labor rights violations in a safe space. The intervention supported organized workers on preparing a case before the USMCA-RRLM panel to leverage the workers' negotiation power; workers did not file the claim. Risks of governmental review and potential exporting sanctions to the company in case of labor rights violations enabled workers to create a union and exercise their collective bargaining rights.

SUSTAINABILITY. The portfolio shifted community attitudes to reduce social barriers to women being employed or starting a business, and empowered women—many as household heads—to start businesses, produce high-quality coffee, and generate vital income for their households. However, the long-term viability of women's businesses is challenged by economic hardships, volatile coffee prices, and limited buyer access. While increased female leadership in target unions has promoted balance between women and men, sustaining progress requires ongoing training, communication, and continuously integrating perspectives from women and men into union practices.

LABOR CONCILIATION AND INSPECTION PLATFORMS AND SYSTEMS

ILAB's technical assistance engaged intensely with STPS, the Federal Center for Conciliation and Labor Registry (FCCLR) and 16 supported LCCs offering software development, training, and technical assistance to create and adapt the RIRL, SIGNO, SINACOL, and SIDIL platforms² to meet legal and procedural requirements. This enabled these centers to launch and adapt their platforms to meet legal requirements and protocols. The FCCLR also benefited from the digitalization, categorization, and indexing of over 138,000 documents from local conciliation and arbitration boards, including CBAs, now available electronically to the public. ILAB's technical assistance also contributed to the Chihuahua LCC's

Collaborative relations with government agencies to offer tailor-made solutions, training to adapt them, and strengthening the network of LCCs were key to build officials' buy-in and trust.

further efficiency by creating its Conciliation Procedures Manual and improving its Public Civil Service statutes.

SUSTAINABILITY. Workers, unions and employers benefit from their access to the RIRL and from more expedited conciliation services as LCCs rely on SINACOL and SIGNO. Federal and local labor authorities have provided legal and institutional backing to these three platforms, but they face sustainability challenges due to limited resources and reliance on external support (i.e., ILAB's). A large 2025 budget cut to the FCCLR may hinder IT improvements, while most LCCs lack internal technical capacity. Nuevo León's LCC anticipates the CONACENTROS IT group will assume responsibility for SIGNO and SINACOL development. Ensuring sustained software management across all LCCs will require ongoing investment, capacity building, and coordination among federal and state agencies. Chihuahua's civil service and conciliation manual are formalized and on track to be sustained.

IMPACT ON GROUPS MOST-AT-RISK OF EXPLOITATION

FEMALE WORKERS. Women face workplace risks such as wage discrimination, sexual harassment, and physical violence. Working mothers often lack access to safe, developmentally appropriate childcare. While ILAB projects have helped unions integrate female worker perspectives into labor negotiations, sustained efforts are needed to support union democracy, strengthen leadership among unionized women, and find daycare solutions that take into consideration female worker needs.

CHILD WORKERS. In agricultural communities, children face the dual risk of missing school and engaging in hazardous work, such as harvesting sugarcane, tomatoes, chili, or coffee. While ILAB projects showed positive results in the sugar and coffee sectors, eliminating these practices requires continuous labor and operative oversight from domestic and foreign-owned agro-export companies, as well as consistent labor inspections.

DOMESTIC MIGRANT WORKERS. Many migrant agricultural laborers from impoverished communities in Mexico are indigenous and face language barriers due to limited Spanish fluency, making it harder for them to advocate for safer working conditions. While portfolio efforts have advanced OSH measures, a comprehensive strategy is still needed for employers to comply with OSH standards and respect the labor rights of these workers in key export sectors (coffee, sugarcane, tobacco, tomato, chili, etc.), to promote fair competition with U.S. workers.

OTHER AT-RISK UNIONIZED WORKERS. Among unionized workers, a more transparent management of union member dues allows female household heads, older workers, and people with disabilities to advocate for using those funds to gain access to benefits such as childcare, accessibility, health coverage, and pensions.

UNAFFILIATED/INFORMAL WORKERS. Manufacturing workers who do not belong to a union (unaffiliated workers) and informal day laborers—many from rural areas with limited skills and experience—face greater barriers to obtaining information about the labor reform and gaining awareness and avenues to exercise their labor rights.

LESSONS LEARNED

- 1. Judicial reforms and budget cuts constrain Mexico's ability to uphold USMCA-related labor commitments.
- 2. An increase in democratic unions may drive up the demand for labor conciliation and justice system services.
- 3. A large proportion of industrial and agricultural workers still lack essential information to demand better working conditions.
- 4. Effective outreach strategies to female workers included adapting intervention activities to workers' schedules and caregiving roles. Using a flexible approach included home visits and approaching them on weekends.
- 5. Sustaining democratic union governance and female union representation requires ongoing training and awareness, as legal protections alone cannot prevent setbacks.
- 6. Stronger outcomes in labor rights and OSH standards are closely tied to project maturity and resource levels, with longer, better-funded projects delivering the most significant outcomes.
- 7. Labor rights do not exist in isolation within workplaces, communities, unions, and institutions. Workers' rights to access OSH standards, organize collectively and access conciliation and judicial services, for instance, are related and interact. Thus, promoting labor rights is most effective through integrated approaches.
- 8. Unaffiliated workers value union transparency and non-discrimination, but noted that poor infrastructure, safety, and transportation services add to their expenses and are unaddressed by employers or authorities.

RECOMMENDATIONS

FOR TECHNICAL ASSISTANCE IMPLEMENTATION PARTNERS

1) Strengthening engagement with state-level and federal governmental agencies for labor reform	 Leverage business interest in OSH and child labor prevention and eradication.
support.	5) Collaborate with change agents (emergency care providers, experts, local production and child protection bodies) to expand labor rights training.
2) Track and share democratic union experiences with labor conciliation and justice services.	
 Further promote union democracy and female worker representation through training. 	 Refine union democracy campaigns to engage unaffiliated and informal workers.
FOR USDOL	
7) Position ILAB technical assistance as a strategic asset of the labor reform and judiciary reform.	9) Engage U.S. company headquarters and subsidiaries to promote the labor reform in supply chains.
8) Foster collaboration across projects to advance	10) Document and share project milestones to sustain

- 8) Foster collaboration across projects to advance much needed attention to agricultural labor rights.

impact at post-closeout.

Program Evaluation of ILAB's Technical Assistance in Mexico Under USMCA | May 2025

+ NORC at the University of Chicago

Funding for this evaluation was provided by the United States Department of Labor under contract number 1605C2-23-A-0022 and task order number 1605C2-24-F-00012 with NORC at the University of Chicago. This material does not necessarily reflect the views or policies of the United States Department of Labor, nor does the mention of trade names, commercial products, or organizations imply endorsement by the United States Government.

Notes:

¹ The program evaluation covered 7 projects managed by ILAB's Office of Child Labor, Forced Labor, and Human Trafficking (OCFT): Project to Reduce Child Labor, Forced Labor and Other Forms of Labor Exploitation in the Chile Pepper and Tomato Sectors in Mexico (<u>Una Cosecha</u> <u>Justa</u>), Project to Build and Strengthen Sustainability Systems in the Tomato and Chile Sectors in Mexico (<u>Sustentar</u>), Building a Comprehensive Government of Mexico Approach to Combating Child Labor and Forced Labor (<u>ACCIONNAR</u>), Improving Workers' Occupational Safety and Health in Selected Supply Chains in Mexico-Vision Zero Fund (<u>VZF</u>), Equal Access to Quality Jobs for Women and Girls in Mexico (<u>EQUAL</u>), Sembrando Derechos, Cosechando Mejores Futuros (<u>Senderos</u>), and <u>Fields of Hope</u>. The 12 projects managed by ILAB's Office of Trade and Labor Affairs (OTLA) included in this evaluation are: Towards Effective Courts and Coordinated Labor Justice (<u>TECLAB</u>), Strengthening Mexican Inspectorate for Labor Enforcement (<u>CAMINOS</u>), Enhancing Labor Conciliation in Mexico (<u>ENLACE</u>), Gender Equity in the Mexican Workplace (<u>GEM</u>), Mexico Awareness Raising (<u>MAP</u>), <u>Mexico Auto Employers</u>, Improving Workers and Civil Society to Strengthen Labor Law Enforcement (<u>SGLLE</u>), Strengthening Government Labor Law Enforcement (<u>SGLLE</u>), Engaging Workers and Civil Society to Strengthen Labor Law Enforcement to Protect Worker Rights in Mexico (<u>SC3</u>), and Observation and Engagement for Rights Verification and Realization Initiative (<u>OBSERVAR</u>). Some projects covered by this evaluation have received both USMCA-implementation funding and non-USMCA funding, including EQUAL, Senderos, Fields of Hope, SGLLE and SC1.

² National System of Labor Conciliation (SINACOL per its acronym in Spanish), Integrated Notarial Management System (SIGNO per its acronym in Spanish), and Data Intelligence System for Labor Inspections (per its acronym in Spanish SIDIL).