

THE LABOR SECTOR AND U.S. FOREIGN ASSISTANCE GOALS

MEXICO LABOR SECTOR ASSESSMENT RESULTS FRAMEWORK

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RESULTS FRAMEWORK – SPECIAL OBJECTIVE FOR WORKERS' ORGANIZATIONS

RESULTS FRAMEWORK – OVERALL CONSIDERATIONS

During the course of the Global Labor Sector Analytic Initiative, a generalized Development Hypothesis and Results Framework (RF) for the labor sector was developed as part of the Programming Handbook (Salinger and Saussier 2010), first presented for comment in June 2009. This handbook synthesizes lessons learned following a series of country-level labor assessments (CoLSAs) conducted by labor sector experts (including lawyers, political scientists, economists, social protection experts, workforce development specialists, and gender experts) in Bangladesh, Cambodia, Honduras, Nigeria, and Ukraine. In addition, a more limited Labor Sector Strategic Outline was developed for Georgia. Following the Labor Forum in June 2009, and subsequent analysis by USAID, this RF was modified (Figure 1). The RF is based on the model of a "well-functioning labor sector" that serves as the conceptual framework for the suite of technical products developed under this Task Order and includes four components: legal framework, institutions, organizations, and markets.

PROCESS FOR DEVELOPMENT OF THE USAID/MEXICO RESULTS FRAMEWORK

The process of developing a Mexico-specific labor sector Results Framework followed a step-wise approach. The first step involved the preparation of two background documents: (a) a Mexico Labor Assessment drafted by the USAID Knowledge Services Center (August 2009); and (b) a Labor Sector Briefing Note, drafted by a local labor expert, Graciela Bensusan (September 2009), complemented by other information accessed through a review of literature. The second step consisted of field work conducted in Mexico City and Puebla by Katrina Burgess (international labor expert), Graciela Bensusán (local labor expert), Kimberly Ludwig (USAID), and Colin Buckley (USAID) in January/February 2010.

Using the Labor Sector Strategic Objective (SO) and Intermediate Results (IRs) (from the Programming Handbook, in blue), customized Sub-Intermediate Results (Sub-IRs) were developed based on the identified constraints. This is provided in Figure 1. It also indicates where this broad, cross-cutting (i.e., across all four labor sector components) Mexico Labor Sector Results Framework complements, or at least intersects with, the existing USG portfolio in Mexico (in gray).

From that Results Framework combining global objectives (SO and IR) with localized context (at the Sub-IR level, i.e., the lower level results necessary to achieve the IRs), analysis suggests a Results Framework based on a Special Objective (Mission level), with Special Intermediate Results and Sub-Intermediate Results, that focuses on labor sector organizations (in red). The transition from a cross-cutting Labor Sector RF for Mexico (hence the Strategic Objective) to one concentrating on labor sector organizations (hence a Special Objective) is provided in Figure 2, using Mexico labor sector context derived from the above-cited documentation.

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Figure 3 provides a Results Framework for a Worker Organization-focused program in Mexico under the Special Objective, with customized IRs and Sub-IRs. Included in this figure are illustrative custom performance indicators relevant to both the Mexico and global RF. FACTS indicators, not included, would be based on the FAF Assistance Objective elements and/or the Mission's SO Results Framework.

FIGURE 1: CROSS-CUTTING RESULTS FRAMEWORK FOR THE LABOR SECTOR IN MEXICO

STRATEGIC OBJECTIVE: A functioning and balanced labor sector which protects workers' rights, promotes participation, transparency and accountability as well as broad-based economic growth, incomes and increased opportunities, is in place and sustainable over time.

Illustrative Indicator: The CIRI-Human Rights Database's Empowerment Rights Index (new version) measures *inter alia* workers' rights, freedoms of domestic and foreign movement, and freedom of assembly and association.

LEGAL FRAMEWORK

IR1: Equitable Legal Framework and Core Labor Standards Adopted (and are known, respected and regulated)

Sub-IR 1.1: Labor law reformed to reduce state intervention in labor relations, increase FOA, reform labor justice system, amd remove excessive labor market rigidities

Sub-IR 1.2: Worker awareness of labor rights enhanced

INSTITUTIONS

IR 2: Legal Institutions with Capacity to Enforce CLS and Adjudicate Disputes Strengthened (and are respected as the legitimate vehicle for resolution)

Sub-IR 2.1: Labor laws enforced fairly and effectively

Sub-IR 2.2: Labor justice institutions reformed to improve impartiality, transparency, and efficiency

Sub-IR 2.3: Data on collective contracts and union membership made available and accessible to public

ORGANIZATIONS

IR 3: Effective Organizations that represent Labor and Employers strengthened (to be able to engage each other and government institutions)

Sub-IR 3.1: Labor Sector Organizations democratized and modernized to effectively advocate for formal and informal worker rights

Sub-IR 3.2: Effective dialogue and advocacy networking among labor sector organizations (unions and CSOs) and business associations improved

MARKETS

IR 4: Labor Markets are more transparent, open and provide equitable opportunities to both labor and employers

Sub-IR 4.1: Collaboration between workers and employers to achieve higher productivity and "negotiated flexibility" improved

Sub-IR 4.2: Investment by government and employers in infrastructure, human capital, upgrading, and innovation increased

Complementing and building upon the USAID/Mexico Mission Strategy... USAID/Mexico does not currently have a country strategy, according to USAID/Mexico/DEM (Conference call, April 2009); an important part of foreign assistance to Mexico is the Mérida Initiative, a regional security initiative for Mexico and Central American countries.

FY 2009 request for Mexico of \$501 million, to be allocated as follows across five areas of the Foreign Assistance Framework and Program Support:

Peace and Security: \$442.2 million (88 %)

• Governing Justly and Democratically: \$ 26.2 million (5 %)

Program Support: \$ 22.5 million (4%)

Investing in People: \$ 5.2 million (1%)
Economic Growth: \$ 4.7 million (1%)

Humanitarian Affairs: \$ 0.2 million (negligible)

FIGURE 2: TRANSITIONING FROM THE GLOBAL RESULTS FRAMEWORK TO A MEXICO LABOR SECTOR RESULTS FRAMEWORK

STRATEGIC OBJECTIVE: A functioning and balanced labor sector which protects workers' rights, promotes participation, transparency and accountability as well as broad-based economic growth, incomes and increased opportunities, is in place and sustainable over time.

LEGAL FRAMEWORK

IR1: Equitable Legal Framework and Core Labor Standards Adopted (and are known, respected and regulated)

Labor laws grant generous rights to

empower state to intervene in labor

affairs. Mexico has ratified only 6 of

In practice, serious obstacles exist to

FOA, worker representation, and

Failed attempts to reform Mexico's

labor laws since the late 1980s.

Supreme Court has issued a few,

important rulings in favor of FOA

workers and unions but also

8 ILO Core Conventions.

collective bargaining.

INSTITUTIONS

IR 2: Legal Institutions with Capacity to Enforce CLS and Adjudicate Disputes Strengthened (and are respected as the legitimate vehicle for resolution)

Agencies responsible for labor administration and inspection have inadequate resources and capacity, in some cases lack transparency and accountability, and can use legal authority to privilege employers and/or compliant unions.

Need for improvement in the enforcement of labor laws.

Labor justice is managed by tripartite Conciliation and Arbitration Boards that do not always act impartially.

ORGANIZATIONS

IR 3:. Effective Organizations that represent Labor and Employers strengthened (to be able to engage each other and government institutions)

Labor movement continues to be dominated by official and/or non-representative unions, although some independent unions have gained strength since the 1980s.

Pervasive lack of internal democracy, strategic vision, or culture of organizing, even among independent unions.

Only around 10 percent of Mexico's workforce is unionized.

MARKETS

IR 4: Labor Markets are more transparent, open and provide equitable opportunities to both labor and employers

Despite Mexico's protective labor laws, the labor market is quite flexible in practice because of the high levels of informality and weak enforcement.

Wages and productivity have not grown in most sectors since the early 1990s. Over 15% of Mexican workers are unemployed or underemployed, and social protection is inadequate.

Mexico's competitiveness is hampered by an overall tack of innovation and upgrading and the poor quality of education and training

MEXICO LABOR SECTOR LEGAL FRAMEWORK

SPECIAL IR1: Legal code amended and implemented to democratize labor relations and reduce state intervention in labor affairs

MEXICO LABOR SECTOR INSTITUTIONS

SPECIAL IR 2: Government institutions (Ministry of Labor, state labor offices, tripartite boards, courts) are more responsive in implementing labor protection functions

MEXICO LABOR SECTOR ORGANIZATIONS

SPECIAL IR 3: : Unions are more independent, representative, democratic, capable of strategic vision, and engaged in broader organizing efforts in collaboration with CSOs

MEXICO LABOR MARKETS

SPECIAL IR 4: Policies promote better living conditions for workers while enhancing Mexico's competitiveness

MEXICO SPECIAL OBJECTIVE Workers' Rights Protected and International Core Labor Standards promulgated and implemented through: (1) support for vibrant, independent and democratic labor unions and CSOs that promote labor rights, labor justice, and the representation of workers' interests and their participation in local and national arenas, (2) promotion of the rule of law in the labor sector and access to impartial justice for workers, in both formal and informal labor sectors, and, (3) better capacity of workers and employers to find common ground on productivity and competitiveness (and advocate these positions to government)

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FIGURE 3: PROPOSED RESULTS FRAMEWORK FOR STRENGTHENING THE MEXICO LABOR SECTOR (THROUGH WORKER ORGANIZATIONS)

MEXICO SPECIAL OBJECTIVE: Workers' Rights Protected and International Core Labor Standards promulgated and implemented through: (1) support for vibrant, independent and democratic labor unions and CSOs that promote labor rights, labor justice, and the representation of workers' interests and their participation in local and national arenas, (2) promotion of the rule of law in the labor sector and access to impartial justice for workers, in both formal and informal labor sectors, and, (3) better capacity of workers and employers to find common ground on productivity and competitiveness (and advocate these positions to government)

MEXICO LABOR SECTOR LEGAL FRAMEWORK

SPECIAL IR1: Legal code amended and implemented to democratize labor relations and reduce state intervention in labor affairs

- Sub-IR 1.1: More effective lobbying by unions and CSOs for labor law reform to eliminate corporatist mechanisms of control, increase FOA, outlaw protection contracts, and reform labor justice system
- Sub-IR 1.2: Launching of campaign by unions and CSOs to support Supreme Court rulings on secret ballots in *recuentos* and unconstitutionality of exclusion clauses
- Sub-IR 1.3: Increase in knowledge of labor rights among workers

MEXICO LABOR SECTOR INSTITUTIONS

SPECIAL IR 2: Government institutions (Ministry of Labor, state labor offices, tripartite boards, courts) are more responsive in implementing labor protection functions

- Sub-IR 2.1: More effective lobbying by unions and CSOs of federal and state governments to make information about unions and collective contracts available and accessible to public
- Sub-IR 2.2: More effective monitoring and evaluation by unions and/or CSOs of disputes related to FOA (e.g., denial of union registration, dismissal of workers trying to form a union) and how they are resolved by labor authorities

MEXICO LABOR SECTOR ORGANIZATIONS

SPECIAL IR 3: Labor unions are more independent, representative, democratic capable of strategic vision, and engaged in broader organizing efforts in collaboration with CSOs

- Sub-IR 3.1: Greater adoption by unions of statutory reforms and leadership training to promote internal democracy
- Sub-IR 3.2: Increased support of organizing efforts of other workers by independent unions
- Sub-IR 3.3: Increased efforts by unions and CSOs to develop stronger alliances, strengthen capacity to provide legal aid to workers, and promote linkages between labor, human, community, and gender rights

MEXICO LABOR MARKETS

SPECIAL IR 4: Policies promote better living conditions for workers while enhancing Mexico's competitiveness

- Sub-IR 4.1: Enhanced efforts by unions and employers to search for common ground on "negotiated flexibility"
- Sub-IR 4.2: Increased collaboration between unions and employers to develop innovative approaches to increasing productivity and innovation
- Sub-IR 4.3: Increased access for independent unions and CSOs to policy debates regarding labor market policies

Illustrative Indicators:

- Number of activities undertaken by labor sector organizations towards reform of labor legislation
- Number of recuentos monitored and evaluated by unions and/or CSOs with regard to use of secret ballot
- Number of lawsuits filed with support of unions and/or CSOs on behalf of workers fired unjustifiably as result of exclusion clauses
- Number of persons (M/F) trained on worker rights

Illustrative Indicators:

- Number of activities undertaken by unions and/or CSOs towards demanding greater transparency by STPS and state labor offices
- Number of FOA -related disputes monitored and evaluated by unions and/or CSOs

Illustrative Indicators:

- Pro-democracy changes in internal union rules and increased engagement by rankand-file union members in workplace
- Number of programs to build organizational and strategic capacity in independent unions
- Number of new unions or sections organized with support of established unions
- Number of trust-building activities between unions and CSOs
- Number of lawyers working with unions and/or CSOs to provide legal services to workers in FOA-related disputes

Illustrative Indicators:

- Number of labor sector organization members trained on issues of competitiveness and productivity
- Number of joint advocacy campaigns launched on the issues of improving competitiveness and productivity
- Number of forums giving independent unions and CSOs access to officials and legislators in charge of labor market policies

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