

LABOR REFORM IN MEXICO

THE AXIS OF THE REFORM



New System of Federal Justice

- ❖ Labor disputes will no longer be the competence of the Executive branch, but of the Judicial branch. Specialized courts will be created which will contribute to a more impartial process.
- ❖ Oral trial system to make the process more accessible and better understood by the parties involved.
- ❖ In case of conflict, a mandatory 45-day period is established in which the parties go to conciliatory instances in order to solve problems in an agile and inexpensive way and without the need to sue. It is expected that 60% of labor disputes will be solved through conciliation.



Union Democracy

- ❖ Workers will be able to vote directly, freely, and secretly on issues regarding the election of union officers, signing of initial contracts, ratification of agreements on the content of collective contracts, and legitimization of existing collective contracts.



Federal Center of Conciliation and Labor Registration

- ❖ This is a new decentralized public entity with own legal personality.
- ❖ Its functions will consist in managing the conciliatory part of the federal jurisdiction, as well as the national registry of unions, collective contracts, and internal labor regulations.

BENEFITS

Companies



- Search for agreements without the need for trials, thus reducing the different costs faced by the parties involved.
- Less time involved in the resolution of lawsuits (at most six months against the previously 4 years on average).
- Greater legal certainty and clarity for businesses regarding labor unions and collective contracts (legal requirements). This will eliminate collusion between local authorities and union representatives which will prevent unjustified strikes and decrease corruption acts of "ghost unions".

Workers



- Transparency in the management of union resources and accountability of unions to workers, giving the worker certainty about the use of their union dues.
- Unions become legitimate vehicles for wage negotiation.
- Gender perspective through the generation of protocols to prevent gender discrimination, as well as to deal with cases of violence and harassment.

Advances

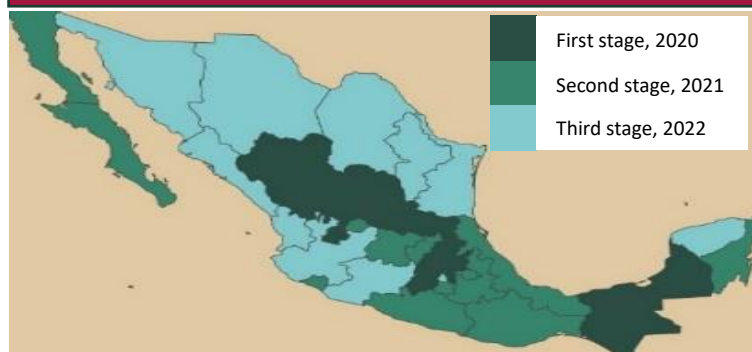
The process of legitimizing contracts is already underway. Until now, 245 collective contracts have been legitimized, for which a total of 86,156 workers were consulted.

Budget for 2021

For its implementation, the reform has a budget for 2021 of 986.5 million pesos:

- 649.0 destined as subsidies to states for the reform implementation.
- 337.5 for the operation expenses of the Federal Center of Conciliation and Labor Registration.

Implementation



The implementation is carried out in three stages:

- First stage in 2020: 8 states (already in operation since November 18). 16.2% of workers registered at IMSS work in these states and they concentrate 27.4% of total working population.
- Second in 2021: 13 states.
- Third in 2022: 11 states.