

MEXICO'S LABOUR LAW REFORM

High-level perspectives

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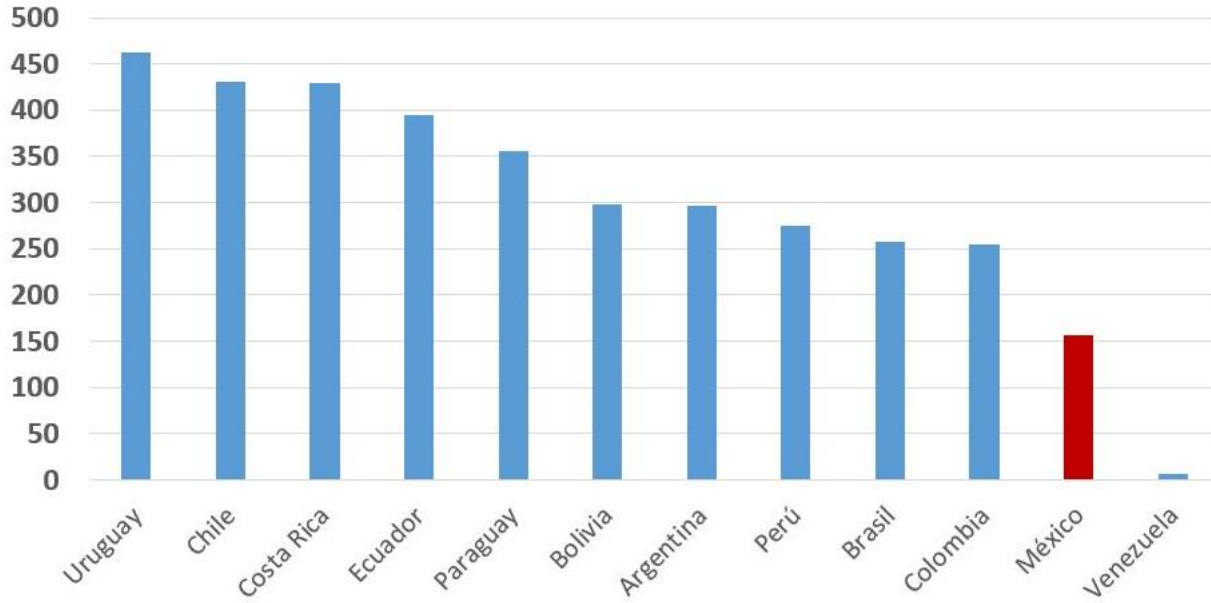
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GONZÁLEZ LARRAZOLO
ABOGADOS

LEX MEX CONFERENCE
London, 2 October 2019

MINIMUM WAGES IN MEXICO – LOW BUT RISING

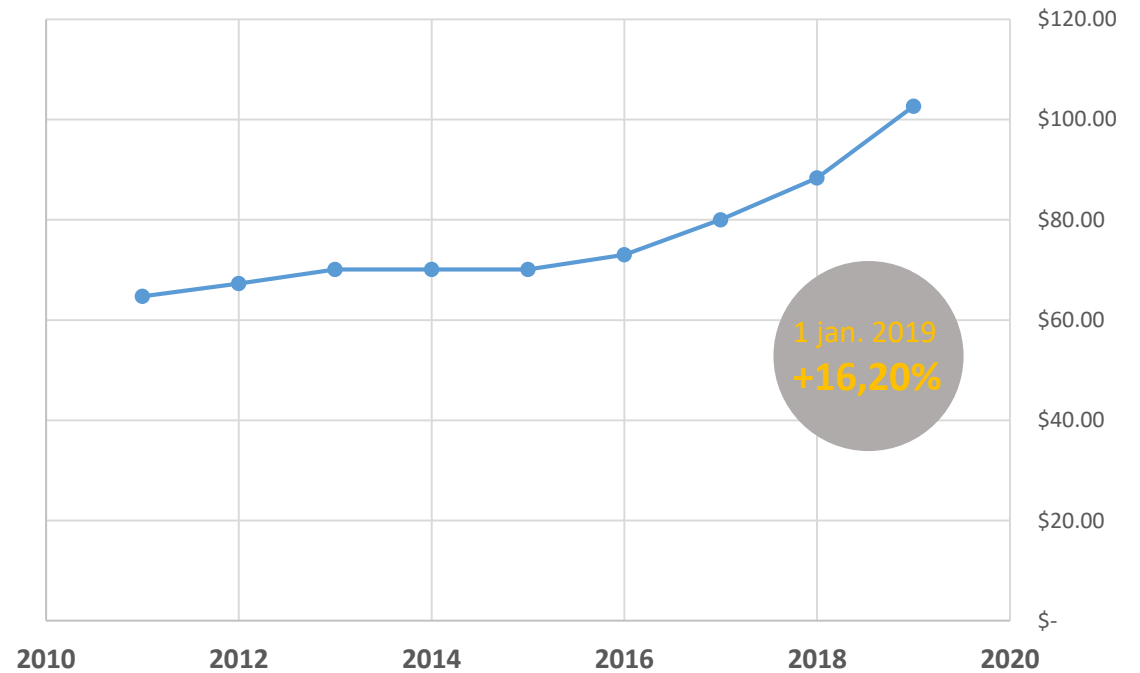
Monthly minimum wage in USD (2019)



Minimum wages in Latin America

(Source: tradingeconomics.com)

Evolution minimum wage (in MXN per day)



Minimum wages in Mexico

(Source: Mexico's National Minimum Wage Commission - CONASAMI)

REFORM LONG IN THE MAKING

RATIFICATION
ILO CONVENTION 98

NEW GOVERNMENT AND
LABOR IDEOLOGY

SECONDARY
LEGISLATION

1

2

3

4

5

6

INTERNATIONAL TRADE
AGREEMENTS - TTP / USMCA

CONSTITUTIONAL
REFORM 2017

PUBLICATION LABOR
REFORM ON 1 MAY 2019

LABOUR LAW
TRANSFORMED

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1

Wage increase, and recovery of purchasing power

2

Conclusion of legal labor reform from the constitutional reform of 2017

3

Abolition of collective bargaining agreements without due representation

4

Revision to outsourcing schemes

5

Increased verification and compliance with labor obligations

6

Inclusion of young people who do not study or work.

**NEW LABOUR
POLICIES**

- Heavy investment in social programmes: budget for 2020 is around USD 15 billion
- *“Jóvenes Construyendo el Futuro”* > flagship social programme for youth.
- Social programme aimed at 2.3 million people aged 18-23, budget of USD 2 billion
- Eligible for youth that is unemployed and is not studying
- Scholarship of MXN 3,600 per month, for 12 months max. and medical insurance via *Instituto Mexicano del Seguro Social (IMSS)*
- Currently around 900,000 participants



NEW SOCIAL PROGRAMMES

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> New labour justice system



> Changes in individual employment relationships



> Administration of collective labour relations



> Representation and labour union democracy



> New rules of procedure for labour disputes

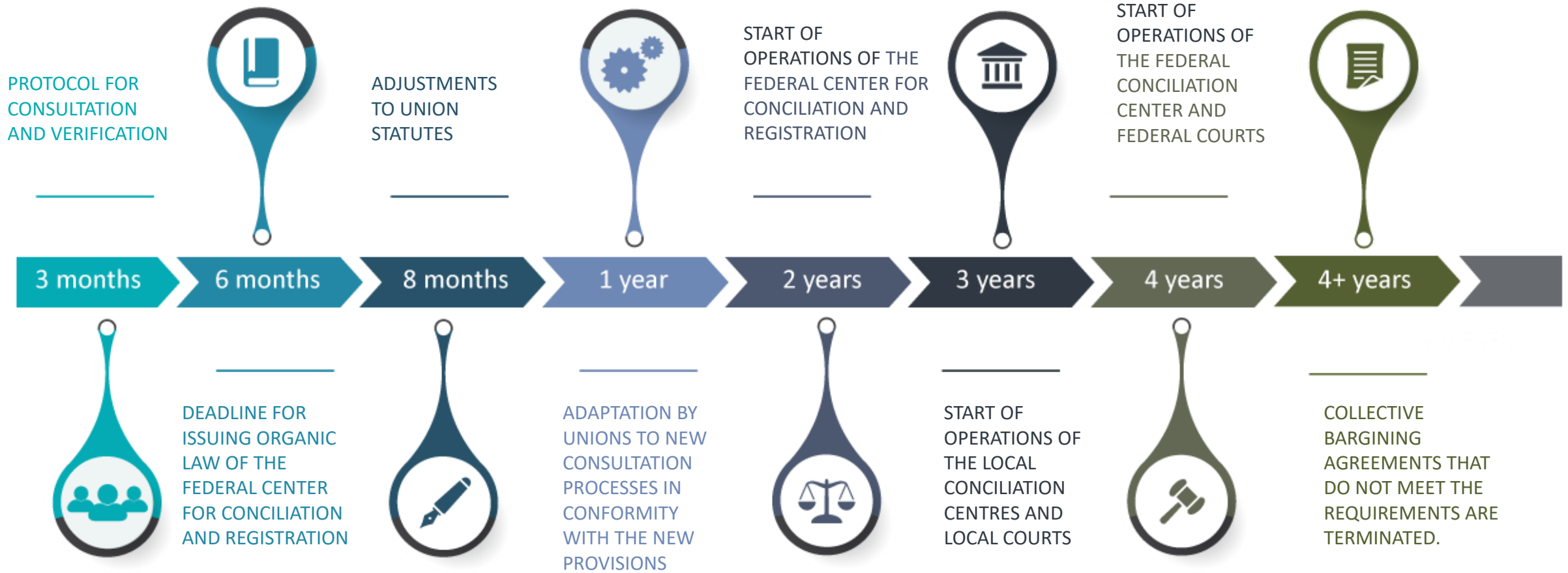


> Provisions for prejudicial conciliation



MAIN ELEMENTS OF THE REFORM

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MAIN ELEMENTS OF THE REFORM



Workers

- Freedom of collective bargaining
- Better protection for domestic employees

Unions

- 'Phantom' unions will disappear
- More democracy and 'real' participation (30% rule)
- Administration through Federal Center for Conciliation and Registration

Employers

- More flexibility for hiring and firing
- Burden of proof for inexistence of the dismissal
- More efficiency administration and dispute resolution
- Issue of Outsourcing

Government

- Balance between domestic and international pressures

DIFFERENT PERSPECTIVES ON THE REFORM