

United States – Mexico – Canada Agreement (USMCA)

Labor

The USMCA will be the third trade agreement in which Mexico incorporates a chapter dedicated to labor matters. Its main objective is to **reaffirm and update the content of the North American Agreement on Labor Cooperation (NAALC), as well as the commitments assumed by the parties in the framework of the Declaration of the International Labor Organization (ILO) of 1998**. The labor chapter of the USMCA is the most advanced chapter ever negotiated in any trade agreement.

General provisions:

- The parties are committed to fight forced or compulsory labor, including **forced child labor**, in countries outside North America.
- Incorporates an article **against violence towards workers**. The parties must pay attention to cases or threats of violence, which are directly related to the exercise of fundamental labor rights.
- Protects workers against **gender discrimination**, through the adoption of policies related to pregnancy, maternity leave, and sexual harassment, among others.
- For the first time, it includes an article that ensures that **Mexican migrant workers** will have **protection from the labor laws of the United States and Canada**.
- The chapter guarantees **transparency and public participation** by including a communication **mechanism that will allow to submit queries** regarding any matter related to it. This mechanism facilitates the identification of failures in the applications of labor legislation and regulations.

It establishes provisions on **Dispute Resolution**, which constitute consultative stages prior to an arbitration panel. The objective of these stages, which include a Cooperative Labor Dialogue, is to facilitate dispute resolution by cooperative means rather than a litigation process.

Annex 23-A

- **An annex was included regarding worker representation and collective bargaining in Mexico**. The reforms to the Constitution on labor justice published on February 24th, 2017 in the Federal Register (DOF), will be concluded.
- These measures will promote prompt and expeditious labor disputes resolutions and will **encourage collective bargaining in Mexico** in order to **improve labor conditions for workers**.
- Specific provisions for **Mexico** regarding **collective bargaining**:
 - **Guarantees** the right of workers to participate in **collective bargaining** activities and to **form or join the labor union** of their choice;
 - Establishes **independent and impartial bodies** to register **union elections** and solve disputes related to collective bargaining agreements;
 - Establishes **requirements for the registration of collective agreements**;

- Guarantees the **transparency of collective agreements** negotiated; and
- Establishes an effective system to verify that the elections of union leaders are carried out through **personal, free and secret vote**.