KEY DATA

2,000,000 EUROS

36 MONTHS
DECEMBER 2023
> DECEMBER 2026

25 EXPERT MISSIONS
FROM 8 SPECIALIZED EUROPEAN INSTITUTIONS

3 FEDERAL INSTITUTIONS
INVOLVED

25 INSTITUTIONS OF FEDERAL STATES SUPPORTED

1 PROGRAM OF GRANTS TO CSO

6 MULTIACTOR TECHNICAL DIALOGUES

1 DECENT WORK LABEL
FOR PRIVATE SECTOR COMPANIES

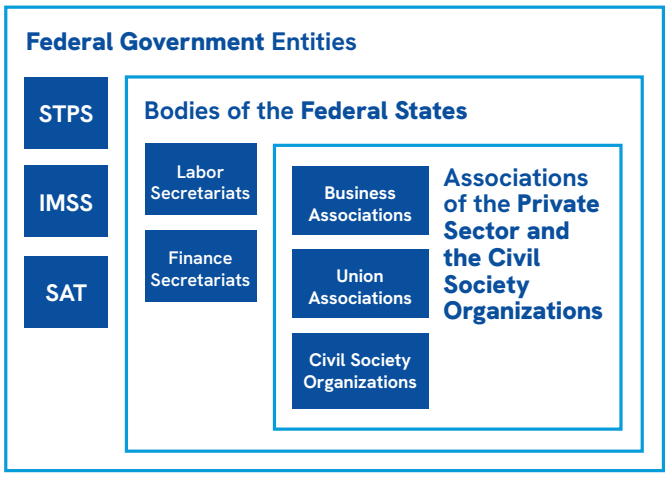
1 WORK INSPECTION AND SOCIAL SECURITY TRAINING PROGRAM FOR **200 INSPECTORS**

1 DISSEMINATION AND AWARENESS CAMPAIGN
ABOUT THE BENEFITS OF WORK FORMALIZATION

ACTORS INVOLVED

The main institutional counterparts of the Project are the **Labor and Social Security Ministry** (STPS), the **Mexican Social Security Institute** (IMSS) and the T**ax Administration Service** (SAT). At the level of the federal state entities, the Project is working with the **Labor Ministries of the state governments**, especially with their employment and labor inspection services. Likewise, the Project contemplates collaboration with private sector companies, civil society organizations, academia and specialized international cooperation organizations. The Project is also articulated with the **State Tax Model for Social Cohesion** and other initiatives financed by the **European Union** in Mexico.

STPS SECRETARÍA DEL TRABAJO Y PREVISIÓN SOCIAL · IMSS · SAT



CONTACT

Eduardo Lépore
Director of EU4DecentWork Project
eduardo.lepore@expertisefrance.fr

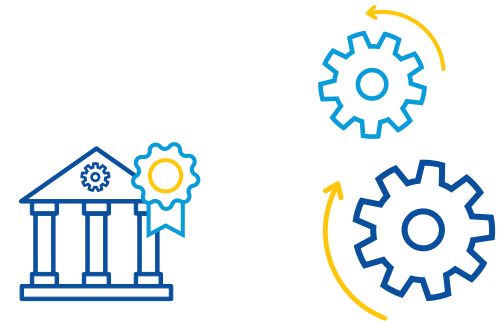
Lyse Marques
Coordinator of EU4DecentWork Project
lyse.marques@expertisefrance.fr

Office address:
Protasio Tagle N° 104
Col. San Miguel Chapultepec
Mexico City C.P. 11850

EU4DecentWork Mexico

PROMOTING DECENT WORK AND EMPLOYMENT FORMALIZATION IN MEXICO





Global Gateway

Funded by the European Union

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Implemented by

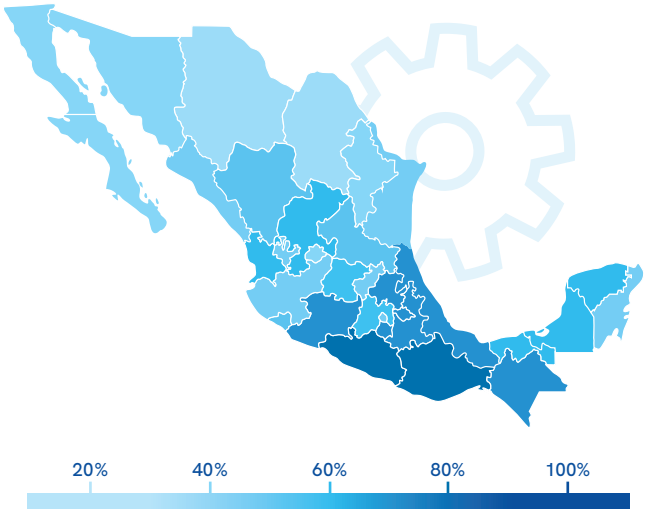
Contribute to the promotion of **decent work** and **labor formalization** in Mexico, with special attention to groups of **vulnerable workers** and those at risk

European Union for Decent Work in Mexico (EU4 Decent Work) is a European cooperation project that is part of the Multiannual Regional Indicative Program (PIRP) 2021-2027 for the Americas and the Caribbean.

The intervention is based on the diagnosis of the high levels of labor informality that persist in the country, despite its sustained economic growth, and the growing integration into the world economy. According to INEGI data, currently, 32.5 million people have informal employment, which represents 55% of the employed population.

Informality is a multi-causal and heterogeneous phenomenon. Women, young people, and older adults are more exposed to labor informality, especially if they are migrants.

LABOR INFORMALITY RATE PER FEDERAL STATE IN 2023-Q4



Source: INEGI, ENOE, 2023

Likewise, among domestic workers, self-employed people, employees in micro and small businesses, the proportion of informal workers is significantly higher. In addition, occupational informality presents strong dimensions in agricultural activities, construction and commerce. Additionally, in rural areas and in the south of the country the rates of employment informality reach comparatively high values.

The consequences of informality are multiple and impact both, the well-being of the population and economic and social functioning. On the one hand, informal workers are particularly vulnerable to poverty, due to low incomes, job instability, precarious working conditions, and lack of access to social security. On the other hand, employment informality negatively affects productivity, competition in the markets, economic growth, income distribution, and the sustainability of pension systems and public finances.

This highlights the **need to prioritize the issue of decent work and labor formalization on the Mexican public agenda**, and to promote an action strategy aiming to support the creation of quality employment and the labor inclusion of vulnerable social groups.

SPECIFIC OBJECTIVES

- Improve access to schemes of protection and social security of workers, with priority to unemployed and informal workers, integrating the gender dimension.
- Strengthen technical and instrumental capabilities of federal and states entities involved in the promotion of decent work and labor formalization.
- Promote awareness about labor and social security rights among workers, employers and civil society organizations.

MAIN ACTIVITIES

- Diagnosis on labor informality, and its economic, political and institutional conditioning factors.
- Design of labor, tax and social security policies for the formalization of employment.
- Strengthening of federal and states labor inspection.
- Promotion of employment formalization in value chains with high rate of labor informality.
- Expansion of social security coverage to domestic, self-employed, and digital remote workers.
- Simplification of affiliation procedures to the Mexican Social Security Institute and improvement of collection mechanisms.
- Facilitation of interstate coordination in tax, labor and social security matters.
- Establish a Decent Work Label for private companies with good quality labor standards.
- Support to CSOs that promote labor insertion of vulnerable social groups.
- Development of communication strategies about the importance of social protection and labor formalization.