

## **WORLD EMPLOYMENT CONFEDERATION OFFERS SUPPORT TO MEXICAN PRESIDENT TO DRAFT FUTURE-PROOF LABOUR MARKET REGULATION**

For the past months, the World Employment Confederation has followed with concern the developments in Mexico's labour market, peaking in the government's recent proposal to ban outsourcing activities following the improper behaviour of some rogue players. While recognising the importance of fighting this behaviour, the World Employment Confederation argues that regulation can and must be designed appropriately, based on international standards, to benefit workers, business, labour market and society alike. A crucial element in this is the recognition of agency work contracts to provide quality agency work services in accordance with ILO Convention 181.

Brussels, 20 November 2020 – *"We recognize the challenges that the Mexican labour market features, with its high levels of informality and an important amount of rogue providers. In a letter to President López Obrador, Secretary of State Luisa Maria Alcalde Lujón, Presidents of the House of Representatives and Senate as well as high level authorities of relevant Ministries and Departments, we have expressed our support in the fight against rogue players and have offered to bring in our 50 years of industry's experience to shape an appropriate regulatory framework that will serve the Mexican people, labour market and economy. The importance of this cannot be underestimated as societies get on the Road to Recovery from the Covid-19 pandemic,"* says Bettina Schaller, President of the World Employment Confederation, reacting to the recent proposal by the Mexican government to ban on outsourcing activities in the country.

'Outsourcing' is the word used in Mexico to describe, amongst other, agency work services. The administration is concerned by the improper behaviour of certain firms in the sector and as a result, proposes to completely ban agency work activities in order to avoid such issues. A crucial solution to this is the creation of a legal framework that recognizes and regulates agency work contracts and agency work services. This sets quality market players apart from rogue players and creates a choice based on quality for business and workers alike. The overwhelming majority of developed economies have done so; providing a framework for people and businesses to combine flexibility with security, while maintaining access to fundamental labour rights and quality working conditions. As such, the World Employment Confederation calls upon the Mexican administration to recognize and regulate agency work as a decent form of work<sup>1</sup>.

The well-regulated private employment services sector plays an important role for the Mexican economy and society. Companies represented by the Asociación Mexicana de Empresas de Capital Humano (AMECH), a member of the World Employment Confederation, put almost 3 million people at work in 2018. Almost 50% of these agency workers were inactive or unemployed prior to their first assignment. The sector also played an important role during the Covid-19 crisis, as many agency workers perform essential tasks.

The World Employment Confederation and its members partner with governments across the world to put in place wherever possible innovative labour market structures that stand for decent work, standards and fair recruitment practices. Through international, regional

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<sup>1</sup> Agency work services and contracts are internationally recognized, amongst other, in the ILO 'Convention 181 on Private Employment Agencies'.

and national frameworks, private employment services are regulated in ways that prevent fraudulent behavior and an uneven level playing field. Moreover, the industry is committing to compliance and quality service delivery through a global Code of Conduct, as well as a vast variety of national self-regulatory, certification and enforcement efforts.

*“Thanks to the experience of our members across the world and our long-standing cooperation with international organisations such as the International Labour Organisation (ILO), the Organisation for Economic Co-operation and Development (OECD), the International Organisation for Migration (IOM) and the International Organisation of Employers (IOE), we know that proper regulation of private employment services benefits workers, business, labour market and society alike. Together with our national federation AMECH, we stand ready to put these networks and our expertise at the service of the administration and to work together to shape quality private employment services in Mexico,”* Schaller concludes.

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**About the World Employment Confederation**

The World Employment Confederation is the voice of the private employment services industry at a global level, representing national federations as well as large international workforce solutions companies from across the world. Members of the World Employment Confederation represent a wide range of HR services, including agency work, direct recruitment, career management, Recruitment Process Outsourcing (RPO) and Managed Service Provider (MSP).

The World Employment Confederation works to broaden recognition of the positive economic and social role which the private employment services industry plays in enabling work, adaptation, security and prosperity. This role involves building networks with relevant stakeholders such as policy makers, social partners and the academic world; setting high recruitment and employment standards and practices; acting as a thought-leader shaping futureproof and competitive labour markets and providing strategic data on employment issues.

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