

TRANSCRIPT Episode 17 – Rogelio Vargas Méndez

Jonathan Bench: Today I'm joined by Rogelio Vargas Mendez, the senior partner in charge of the labor division at Rivadeneyra, Treviño & de Campo, a Mexican law firm that represents national and international companies.

For over 20 years, Rogelio has advised Mexican and foreign companies on employment law–related matters, implementing corporate labor strategies and handling litigation processes. He teaches employment law at various colleges in Mexico and currently presides over the Labor Law Commission of COPARMEX Puebla, an employers' union. He's also an active member of the Labor Commission of AIJA, the International Association of Young Lawyers.

Rogelio, thank you for joining me today.

Rogelio Vargas Méndez: Thank you very much, Jonathan, for your time. I appreciate it very much, and I'm very thankful for the invitation. You know that I'm honored to be part of this project, and you know how much I admire you. So thank you very much for having me.

Jonathan: Thank you—it goes both ways. So let's talk about your background, because I need to know why you decided to become a lawyer, and particularly a labor lawyer.

Rogelio: Well, actually, it's very funny because I never planned to be a lawyer. This might surprise you—you may already know this. I played American football in Mexico, and I received a scholarship to a Mexican college. I didn't have a clue what to study because I just wanted to play.

I was a wide receiver—imagine that. I was thinner and faster, and I had good hands. So at one moment I decided to study something that was not mathematics-related, and that was law school. I joined law school and I really enjoyed my experience there. I visualized that I was going to be a lawyer at some point in my life because I loved everything related to being a lawyer.

Employment law just came into my life, like football and like the scholarship. I had a friend in college who told me that the law firm where he was a trainee was looking for a paralegal trainee who could speak some English. I applied for the position, got it, and worked for that law firm for about 30 years.

Then I moved to Puebla and started my own practice, and later Rivadeneyra called me and I joined them. Now I'm very happy to be part of this law firm, which has an international point of view. I'm very comfortable with that, and I like working with colleagues around the world. So that's how law got into my life.

Jonathan: I'd forgotten that you played American football—that must be fairly unique.

Rogelio: Yeah.

Jonathan: I imagine it took some years for American football to catch on. I remember one of my first trips to Mexico City. I was heading to the airport on a Sunday morning and passed a stadium. I assumed it was a fútbol stadium, but then I saw the goalposts and people in pads and thought, what is going on here? I had no idea there was a proper American football stadium in the heart of Mexico City.

Rogelio: In Mexico City, Monterrey, Guadalajara—many cities. We actually have a huge college football program, and now we're taking very big steps toward a professional football league. We already have one.

You travel around the country with your college team, and we have our fan base. Many people outside Mexico don't realize that we love football. We watch the NFL every Sunday like a typical family in the States—we barbecue, eat together. I'm a Niners supporter, so I can't miss a Bay Area game.

Jonathan: I love it.

Rogelio: Yeah.

Jonathan: So I'm very interested in what we're going to talk about today—Mexican labor law. As an international business lawyer, you're my analog when I have clients looking at reshoring or nearshoring away from China or Southeast Asia and closer to the U.S. Let's start with how the landscape of labor and employment law in Mexico has evolved over the past two decades, especially with globalization and changing work cultures.

Rogelio: First of all, we have to understand that employment law in Mexico is very unique because it's part of the social branch of the law. We have one Federal Labor Law that governs the entire country—from north to south. We don't have state-level acts like in the U.S.

This law governs collective matters, individual matters, employment contracts, internal work regulations, and procedures before labor courts. Employment law is one arm of our Constitution, which is a national treasure. It was the first socialist constitution, born from our civil war, and many Latin American regulations are based on it. Because of that, it's not easy to change employment laws in Mexico.

That said, employment law has been changing due to new forms of business and globalization. Mexico is an open country, close to the U.S., with Europe on one side and Asia on the other. This has driven many legal changes and cultural shifts in daily work life.

The most important reform in my 20-plus years of practice was the 2019 reform, which was a product of the USMCA. The U.S. and Canadian governments required Mexico to make changes to its labor regulations for the agreement to be accepted.

One of the most significant changes involved collective rights. In the past, unionized employees often didn't even know they had a collective bargaining agreement. Those agreements were negotiated between employers and unions without real employee participation. Now, employees must vote on collective agreements, benefits, and union representation.

Another major issue was corruption. Labor boards used to be part of the labor ministry, not the judiciary, and corruption was common. With the reform, we now have professional labor courts within the judiciary and a Conciliation Center that registers unions, collective agreements, and internal regulations.

There's also a mandatory pre-judicial conciliation phase. About 70% of cases are resolved there, which means far fewer labor lawsuits. That's very good news and shows how opening the country has brought positive influence.

Jonathan: That's fascinating. As president of the Labor Law Commission of COPARMEX Puebla, how do you balance protecting workers' rights with business competitiveness?

Rogelio: I've always focused on representing employers, though of course I help friends and family from the employee side. COPARMEX is an employers' union—something unique in Mexico. It's the only employers' union formally recognized nationwide.

Our goal isn't opposition but balance. We promote dialogue with unions, the government, and authorities to ensure competitiveness, attract investment, and protect workers' rights. COPARMEX has supported increases to minimum wage, more vacation days, and discussions around reducing work hours.

We believe that when both employee and employer rights are respected, the country becomes more competitive and attractive for investment.

Jonathan: What is the typical work week now, and how is it changing?

Rogelio: Currently it's 48 hours per week. The plan is to reduce it gradually to 40 hours by 2030. The proposal is to reduce two hours every year. For example, 46 hours, then 44, then 42, until reaching 40.

This gradual approach is necessary. A sudden change would hurt employers and foreign investment. The financial impact could be around a 30% increase in labor costs at first.

Mexico is one of the countries where people work the most hours, but productivity doesn't match that. The goal is to become more efficient and productive. There will also be social changes—Mexicans are used to working long hours, so having more free time will change society.

Jonathan: That raises big cultural questions—how people find fulfillment outside of work.

Rogelio: Exactly. Some unions are proposing that extra time be used for education—finishing high school or college. These are beautiful ideas. We are Mexicans—we always find a way.

Jonathan: Does Mexico have enough labor right now, both blue collar and white collar?

Rogelio: It's getting harder to find workers. Many Mexicans are going abroad—to the U.S., Canada, and Europe—because they're skilled and often speak English.

Another major problem is informality. Many workers are paid in cash, don't pay taxes, and don't have social security. This is a cancer for our society. Without taxes and social security contributions, employees lack protection and the government lacks resources.

Informality ranges widely—sometimes 40%, sometimes 50%, sometimes even 60%. The good news is that formality is increasing, and more people are registering with social security each month.

Jonathan: That would be very bad for a foreign company.

Rogelio: Yes. Today, tax authorities, social security, and labor authorities are all connected technologically. Any irregularity triggers inspections. Paying under the table is increasingly difficult.

Jonathan: Tell us a bit about Puebla.

Rogelio: Puebla is now the fourth most important city in Mexico economically. It's heavily focused on the automotive sector—Volkswagen and Audi are here.

Many foreign companies still misunderstand Mexico and think it's too corrupt to do business. Corruption hasn't disappeared, but it has decreased significantly thanks to better-trained authorities and technology.

Puebla is in the center of the country, close to Mexico City, with volcanoes and a cold climate. It's also an important gastronomic destination.

Jonathan: Good to know—foodies should visit Puebla. Last question: if you weren't a labor and employment lawyer, what would you be doing?

Rogelio: I'd love to work in sports—maybe in the administration of a soccer club in Europe. That would be a dream come true.

Jonathan: That's great. Rogelio, thank you so much for spending time with me today.

Rogelio: Thank you very much. Whenever you need to talk about employment matters in Mexico, don't hesitate to contact me. It's always a pleasure, my friend.