

REPORT OF RESULTS OF THE PROCESS INVOLVING FORMER WORKERS OF HERMOSA MANUFACTURING WHO BENEFITED FROM THE EMERGENCY FUND OF THE FAIR LABOR ASSOCIATION

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I. FIRST STAGE OF THE PROCESS

On December 22, 2006, FESPAD published in two newspapers with large national circulation, La Prensa Gráfica and CoLatino, a notice inviting former workers of Hermosa Manufacturing to come to the offices of FESPAD on December 27-28 at the times that were set out in the notice.¹

By that time, FESPAD had already received telephone calls from former Hermosa workers who formed the leadership of the union requesting a meeting, which was held in the afternoon of December 22. The newspaper notice raised concerns among the union leaders, who felt that it was unjust to create a process that could benefit all former workers, a view they thought they had already expressed to the FLA. Their position at that moment was that the unionized workers would not participate in the process. A document summarizing the meeting was drafted and signed before a notary public; it was sent immediately to the FLA.

Notwithstanding this meeting, the process continued as originally envisaged: FESPAD assembled the implementation team and the documents to be used in interviewing the workers who came forward (sworn declaration and statement of resolution of the case) were prepared.

On December 26, FESPAD held another meeting with the leaders of the unionized workers. The outcome of the meeting was that the unionized workers would participate in the process and withhold their judgment until the end of the process.

On December 27, at 9:00 a.m., FESPAD began to receive visits from former Hermosa workers. During that day, 53 workers came forward. On December 28, only 4 workers came forward. Each of the workers who came to FESPAD was required to show legal identification. The conversation with each was first recorded in an interview form, and a formal sworn declaration was subsequently drafted and signed before a Notary Public.

¹ “Urgent Notice to Former Workers of Hermosa Manufacturing: Persons who **lost their jobs** as a result of the closing of Hermosa Manufacturing and **currently are not employed** are requested to come to FESPAD on December 27 or 28 of this year, between the hours of 8:30 a.m. and 4:00 p.m. The purpose of the meeting will be to discuss matters of their interest. They are requested to bring identification documents. The meeting will be held at 25 Calle Poniente 1336, Col. Layco, San Salvador, telephone number 2236-1800.”

Subsequently, FESPAD reviewed each of the sworn declarations against the eligibility criteria for the emergency fund defined by the FLA in order to determine which of the persons who had come forward would be eligible to benefit from the fund. It became evident from the interviews that some of the cases would not meet the criteria. FESPAD requested that the FLA further elaborate on the criteria, as the passage of time and the creativity of some individuals had given rise to unforeseen situations (some workers had found low-paid employment that took care of their day-to-day needs but was not sufficient to deal with the debts they had accumulated over many months without a job) that in our judgment, required consideration. The FLA reacted favorably to these recommendations.

The analysis of each of the cases yielded the following results:

1. The 57 persons who came forward all received benefits from the fund.
2. Of the 57 persons, 50 are women and 7 are men.
3. With regard to relationship with the union, three different situations arose:
 - 3.1 49 persons were union members
 - 3.2 4 persons were not union members but sympathized with the union
 - 3.3 4 persons were not members of the union.
4. According to the workers, there is employment discrimination based on union membership.
5. The persons who have found formal sector employment (a minority) live in fear that their new employers will identify them as former union members at Hermosa Manufacturing. Moreover, the jobs they have been able to obtain are low-paid and unstable.
6. On Saturday, December 30 at 10:40 a.m., FESPAD concluded the process of issuing checks to the workers. By noon, FESPAD had confirmed that all of the workers had been able to cash the checks without any problem.
7. With the concurrence of FLA and the workers who received benefits, \$3,000 was set aside in reserve should additional workers come forward to claim that they also qualify for benefits. This option will be available through Monday, January 8, 2007. On the following day, FESPAD will issue a report on this topic.

II. SECOND STAGE OF THE PROCESS

The additional period that was left open for workers to come forward expired with no additional workers doing so. FESPAD informed the FLA about this development and sent to the FLA a proposal received from the former Hermosa workers. The proposal

foresaw a mechanism for the utilization of the balance of the fund to support the organized workers.

The FLA responded indicating that the balance of the fund should be distributed among all of the workers that had responded to the call from FESPAD published in the newspapers in December and had been identified as being eligible for the benefits, whether or not they were members of the union.²

FESPAD informed the workers of the FLA proposal and they were all approved it at a meeting they held on Saturday, January 27, 2007.

On February 2, 2007, FESPAD carried out the payments of the supplementary amount to all eligible workers. At present, only four workers have not claimed the supplement: [names redacted by FLA].

We have been informed that these workers have not been able to claim their complement because of their current work schedules. We anticipate that they will do so next week.

² The \$3000 reserve should be divided into two parts. One part, consisting of 8/57 of the \$3000, from which each of the workers not unionized would receive one-eighth ($\$3000/57=\52.63). The second part would be equivalent to 49/57 of the \$3000 and would be offered to the unionized workers for its use in the activities described in the proposal, provided this is the desire of the organized workers. Should any of the workers not members of the union wish to cede its \$52.63 share to the group of unionized workers, we [the FLA] would not object to it.