

Union Renewal and the Outsourcing Dispute at Philippine Airlines

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Abstract

The study examined the experience of the Philippine Airlines Employees' Association (PALEA) using the lens of union renewal as it engaged in a struggle against contractualization at Philippine Airlines (PAL). The study used participant observation, in-depth interviews and analysis of documents. The PAL-PALEA dispute was the biggest labor row in recent history. PALEA saw outsourcing not just as a scheme to replace regular with contractual workers but also as a ploy to suspend collective bargaining negotiations and bust the union. PALEA's stand was that outsourcing and the state's lax policy on contractualization will lead to the degradation of working conditions of all Filipino workers; thus, the strategic choice to resist and the logic of transformation in the process of union renewal. From a passive and co-opted union retreating in the face of management attacks, PALEA transformed into a fighting organization strengthened by mass participation. The external threat of outsourcing molded the contours and tempo of the internal changes undergone by PALEA. PALEA implemented its struggle along the lines of social movement unionism to encompass the labor movement and civil society. The resolute fight and the solidarity movement exerted enough leverage to impact on the behavior of the industrial relations (IR)

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parties involved, specifically PAL which signed a settlement agreement and the government which enacted new rules on contractualization.

Keywords: Union renewal, social movement unionism, PALEA, PAL, outsourcing, contractualization

“Endo” in the Philippines and Philippine Airlines

In May 2016 elections in the Philippines, contractualization or “endo,” became a burning issue. In a televised debate, the leading presidential candidate, declared his promise to end “endo,” placing the clamor to stop contractualization in the national agenda.

“Endo” is the popular term used for contractual workers who are in the conclusion of their short-term period of employment. It is also used to describe the insecure nature of their jobs.

This national discussion and social dynamic over contractualization was long overdue but it did not arise from nowhere. Below the radar, public discontent over contractualization has simmered and workers’ struggles against endo have erupted without generally much attention from the mass media. Arguably the most high profile dispute in recent years was the resistance to contractualization at PAL led by the union PALEA.

Years before it became a popular term, labor groups have been using the phrase “end endo” to characterize the campaign against contractualization highlighted by the fight over job outsourcing between PALEA and PAL (Dakila, 2011 October 1). PALEA’s battle for regular jobs was not just the most contentious dispute in the country in the last few years; it was also a trailblazing struggle of the workers movement in the Philippines where the future of industrial relations hung in the balance.

This research examined union renewal by PALEA in the context of its fight for job security and collective bargaining. From a moribund state after the controversial 1998 strike that ended in the 10-year suspension of the collective bargaining agreement, PALEA saw a rebirth as it ironically struggled for survival in the face of PAL’s evident desire to outsource work and its alleged agenda to bust the union. It was not just in 2016 that a protracted dispute erupted at PAL; the PAL strike of 1998 was the major

labor dispute of that decade (*People's Journal*, 1998 September 21).

The research aimed to answer several questions. One was to determine the factors that led to PALEA's strategic choice of resistance to PAL's contractualization plan. Strategic choice refers to key decisions by firms or unions to shift the terms of industrial relations. For management, it is influenced by the exigencies of business and competition issues. For unions, it seeks to respond to actions from management and the government affecting workers' terms and conditions of employment.

Another objective of the study was to ascertain the organizational changes undergone by PALEA over the course of the outsourcing dispute and in the process of union renewal. It also sought to find out the measures undertaken by PALEA in response to contractualization that exemplified its model of social movement unionism. In contrast to traditional unionism, social movement unionism goes beyond the narrow confines of the employee-employer relationship at the firm level to encompass working class issues, both economic and political, and alliance building by unions with other worker and community groups.

Conclusions of previous researches on the tumultuous 1998 period in PAL labor relations can now be reexamined after the passage of time and events. In fact, for PAL employees, the experience of the 1998 strike and the subsequent suspension of the workers' Collective Bargaining Agreement (CBA) are very relevant. PAL workers' assessment of that past experience factored in their perception of the outsourcing dispute.

Any resolution to the PAL-PALEA dispute must take into account the resurgence of militant unionism at PALEA and the resistance of workers to the controversial outsourcing plan. The future of harmonious labor-management relations at the national flag carrier depends in part on responding to renewal steps undertaken by the union.

Moreover, the PAL-PALEA dispute calls into question the labor policy of the present and previous governments that allow contractualization; hence, the competing demands of employees and employers regarding the question of security of tenure necessitating policy intervention. In fact, PALEA has argued that three related rights enshrined in the Constitution—security of tenure, collective bargaining and peaceful concerted actions including strike—have been transgressed by management and government as the dispute unfolded. Questions of acceptability came into play in drafting government policy. Policy that is

vehemently resisted and patently unacceptable to one party will not be effective and implementable.

A study of the outsourcing dispute is pertinent to the prospects of unionism, particularly militant unionism under globalization, considering the widespread shift to irregular employment by employers. A case study of PALEA as it undertook union renewal is relevant to resolving the question whether unions can persist, even prosper, under present conditions.

The study is significant with regard to the practice of IR. Admittedly, the world of work has changed a lot; it has even been overturned or revolutionized over the past decade or two. Perhaps there has been a counter-revolution in the IR system established over the post-war years which was marked by institutionalization of unionism, collective bargaining and numerous labor protections. Now, the “social contract” between labor, employers and the state has been torn asunder as precarious work, union busting, CBA suspensions and cheap labor in both developed and underdeveloped countries are the unmistakable trend (Trask, 2014). Thus the question: is it possible to buck the drift from labor protection to worker abuse? Can unions like PALEA survive or even thrive in the 21st century? Are PALEA and other unions fated to disappear like the dinosaurs or can they adapt to and change the prevailing conditions despite the Armageddon of globalization? The experience of PALEA is undoubtedly relevant to this question and the practice of IR in the Philippines and maybe even globally.

Finally, the outsourcing dispute is also significant to theory building. If union renewal and the fight against outsourcing waged by PALEA are relevant to the IR practice, then logically it is meaningful to IR theory as well since concepts are abstractions of reality. Is it feasible to re-establish the standards and model of the IR world of Dunlop? Or is the strategic choice concept of Kochan the end point of IR theory? Is it possible to build an IR model in which social justice and social progress are complementary and not antagonistic in the world of work in the new millennium?

Dunlop (1993) propounded his systems theory in an era of relative stability in industrial relations after the capitalist crisis and workers revolutions during the inter-war period. This period was marked by tripartism built on employers' acceptance of labor unionism and collective

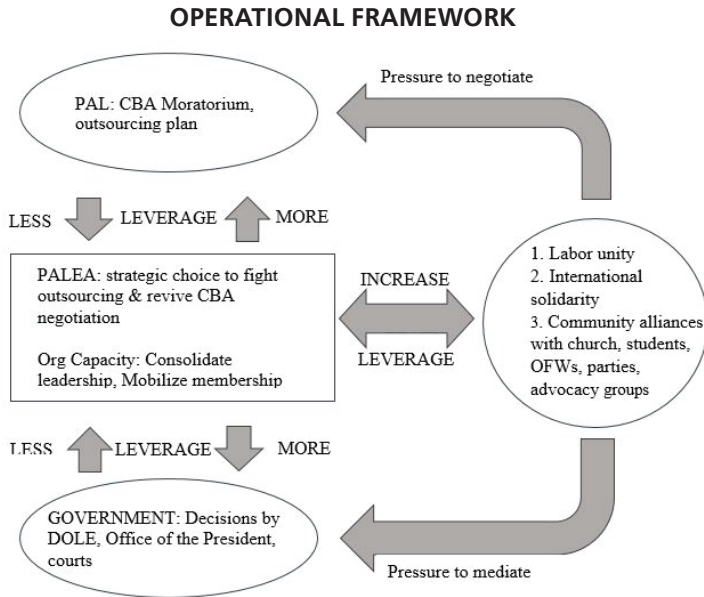
bargaining and its regulation by the state. In contrast, Kochan, McKersie, and Cappelli (1984) contended that the world of work has been upended under the regime of globalization and Dunlop's model fails to reflect the resulting massive changes in IR. Thus, they proposed the theory of strategic choice to assess key decisions undertaken by management or its layers regarding IR under the influence of competitive pressures and business exigencies.

In fact, the fluid nature of IR and the shift from Dunlop's static model to Kochan's dynamic theory cannot be understood if the underlying class struggle between workers and capitalists are disregarded. The changing circumstance and nature of IR in the world and the Philippines can be explained as a consequence of the shifting balance of forces between the struggle of the working class movement and the strength of the capitalist class and its influence on the state. At a time when the working class movement was strong and there was clear and present danger of a workers' revolution, the classical model of IR as conceptualized by Dunlop was forged as a compromise. But with the capitalists' renewed push for profit amidst greater competitive pressures—which increased resistance to unions, opposition to traditional industrial regulations and the push for labor 'flexibilization'—the classic IR model fell apart and the strategic choice theory better reflected the existing terms of engagement between workers and employers. The summary assertions of Marx and Engels (1969) ring true in the specific case of the PAL-PALEA dispute and the general changes in the IR landscape.

Analyzing PALEA's response to outsourcing

PALEA's response to the threat of contractualization illustrated a model of union renewal. The definitions proposed by Serrano (2014), and Frege and Kelly (2003) on union renewal are very significant for PALEA's experience. For Serrano, union renewal refers to the "continuing and purposive process of maintaining, re-establishing, rebuilding and reconfiguring the institutional and organizational sources of union power and strength in a changing environment" (p. 26). Meanwhile Frege and Kelly averred that union renewal connotes "a variety of attempts to tackle and potentially reverse problems facing union movements" (p. 9).

There are external and internal factors, issues of strategic leverage and organizational capacity to consider in understanding PALEA's response to outsourcing and union renewal. The external factors exerting influence on the union are the employer and the state, given the tripartite nature of IR in the country.



Unions have the strategic choice of using the logic of accommodation, which is to adapt within the present circumstance, or take the logic of transformation, meaning directly resist the unfavorable policies impacting against it (Serrano, 2014). The choice or strategy must include strengthening the union's organizational capacity so as to be able to adapt or confront its unfavorable environment. The internal measures seek to increase its leverage against both labor flexibilization measures undertaken by employers and by state policies that are friendly to business at the very least and inimical to workers at most.

Finally, unions have recourse to further increase leverage by building networks of cooperation with its allies. These allies could be found within the traditional labor movement and outside, for example with community groups. Moreover, the labor movement refers not only to local workers organizations but also to international unions or groups

that have become even more important given the impact of globalization and the cross-country coordination of unions and their struggles. The interaction between unions and their allies are two-way as denoted by the two-headed arrow. The unions exert an impact on their allies as much as the allies assist the unions in their struggles.

The environmental factors are the employer—PAL management—and also the government, where the relevant agencies are the DOLE and the Office of the President. The strategic choices of management regarding company restructuring due to competition and other circumstances exert an impact on PALEA. Meanwhile, the executive and policy decisions of the government on the legality and propriety of contractualization and outsourcing also have an effect on both PAL and PALEA.

Faced with the threat of outsourcing and CBA moratorium, and thus the danger of irrelevance if not death, PALEA decided to fight rather than surrender. The logic of accommodation was in fact open to PALEA and it could have adapted, instead of resisted, in order to survive as a union. Yet, PALEA chose to traverse the logic of transformation instead of accommodation.

PALEA engaged in militant yet innovative tactics in response to perceived environmental threats to the organization. These tactics include consolidating the union leadership in its strategic choice of employing the logic of transformation and mobilizing the membership to fight. Consolidating the union leadership and membership was a challenge to PALEA due to the historical divisions and factionalism within the union dating back to the 1998 CBA moratorium dispute.

While PALEA increased its organizational capacity, it undertook to expand its leverage by building alliances with new IR actors such as the Catholic Church, labor coalitions against contractualization; it even sought the solidarity of international labor groups. Banking on the fact that the dispute over outsourcing was a concrete example of the broader issue of contractualization, PALEA tapped the latent discontent of fellow workers and the public on the problem of job insecurity. The alliance building and broadening of the fight is captured by the slogan “Ang laban ng PALEA ay laban ng lahat” (PALEA’s fight is everyone’s fight) which became a popular cry for solidarity in PALEA’s campaign.

Alliance building is motivated by the desire to increase leverage. The main objective of PALEA and its allies was to put pressure on PAL to

negotiate and influence the government to mediate.

As the alliances supported PALEA in its fight, the solidarity relationship also had an effect on the supporters. Unity among labor groups was strengthened, church-labor solidarity was consolidated and student activists were fortified by actual immersion in labor struggles.

The key concept of this research is union renewal. To gauge the transformation of PALEA into a fighting union, the indicators used were the cases submitted by PALEA against management, the number of notice of strikes filed, the type and scale of the protest actions launched and the kinds and scope of the alliances formed to support PALEA's fight.

Another set of indicators of union renewal delves into the internal changes at PALEA. Among these indicators were the following: membership size and stability; space for membership involvement; structures and processes of union democracy; changes in union rules and policies; allocation and mobilization of human and financial resources; kinds of union services; handling of worker grievances; and changes in the style of union leadership.

The increase in the leverage exerted by PALEA on PAL was indicated by the changes in the position taken by management with respect to demands of the union to reverse outsourcing and open negotiations for a new CBA. The increase in the leverage exerted by PALEA on the government was indicated by the shifts in policy and decisions regarding the labor dispute.

Given this research framework, data gathering techniques used were participant observation, in-depth interviews and analysis of documents. The author is a member of the group Partido Manggagawa (PM) and an actual participant in PALEA's struggle. PM assisted PALEA in its fight against outsourcing before and after the assumption of a new set of union leaders who were also PM members. Thus, the author was intimately involved in the decisions and plans of PALEA in its fight against outsourcing and CBA moratorium, and had personal knowledge of the developments of the labor dispute. For the purpose of the research, the PM blogsite (<http://partidongmanggagawa2001.blogspot.com/>) posts on PALEA served as the journal.

Interviews with key informants—PALEA officers and members, allies within the labor movement and community groups, and experts from the academe—were undertaken. The research also involved an

analysis of PALEA's organizational papers and documents related to the labor dispute. Other online sources used were the Facebook group "Sulong PALEANS!" (<https://www.facebook.com/groups/sulongpaleans.2010/>) and the blog "Give PAL a Chance" (<http://givephilippineairlinesachance.blogspot.com/>).

The study period was from 2009, when the outsourcing plan was first broached by PAL, until the conclusion of a settlement agreement in 2013. This included the actual implementation of the outsourcing plan in 2011. The study did not include the later stage of PALEA's fight to enforce the terms of the settlement agreement, a period of the labor dispute that is yet unresolved and continues up to now.

PALEA's fight against outsourcing and its outcomes

The long-running labor dispute between PAL and PALEA revolves around the two distinct but related issues of job contractualization and CBA negotiations. There have been no bargaining talks between PAL and PALEA since 1998. The 10-year moratorium on contract negotiations and its one year extension in 2008 was to lapse in 2009 when management announced the plan to outsource practically the entire bargaining unit represented by PALEA.

Thus, outsourcing was viewed by PALEA not just as a scheme to replace regular with contractual workers but also as a ploy to indefinitely suspend CBA talks and even bust the union. The group of Gerry Rivera within PALEA vigorously opposed the outsourcing plan when they got wind of the scheme and even before they assumed leadership positions in the union. Once they won the union elections in February 2010 and got the mandate of the membership, they waged a determined fight to resist outsourcing and engaged government to stop its implementation.

It was a long and winding road as far as the labor row was concerned. PAL was adamant in implementing outsourcing, arguing first that it was necessitated by losses, then later that it was a management prerogative and a global trend. PALEA was just as resolute in contesting job contractualization and the CBA suspension by combining mass protests, legal actions, solidarity movements and government engagements.

The State, however, continuously affirmed the legality of PAL's outsourcing scheme and twice intervened to stop PALEA from going on strike. The dispute finally came to a head with PALEA launching a sit-down protest that paralyzed PAL's operations on Sept. 27, 2011 and ended with its members forcibly evicted out of the airport and other PAL offices. For 26 months, PALEA maintained a picket line near the airport, defended the protest camp from a series of physical and legal attacks, launched a consumer boycott and built an even wider web of support within and without the labor movement, including solidarity from abroad that led to two days of global action. All these were meant to leverage PAL to submit to the demand to reinstate the retrenched workers and stop contractualization.

When the San Miguel Corporation (SMC) group bought PAL and took over management, a window of opportunity opened to resolve the dispute. It led to the signing of a settlement agreement in November 2013 that, among others, provided for a bigger separation package and the re-employment of the PALEA 600 who continued resisting the outsourcing plan.

PAL's intransigence in implementing the outsourcing plan despite worker opposition and its apparent ulterior motive to gut the CBA and bust the union pushed PALEA into vigorous resistance. Government intervention and decisions to uphold the outsourcing scheme with offers to increase the amounts of separation pay only prodded workers to greater opposition. PALEA insisted that management's hardline position on job outsourcing and the CBA suspension, and the state's lax policy on contractualization, would lead to the degradation of working conditions of PAL employees and Filipino workers. These were often cited by PALEA officers and members as the factors that led to their decision to fight.

PALEA's leadership was aware of the alternative strategy of consenting to outsourcing but set it aside as tantamount to surrender. Ernesto Herrera, then Trade Union Congress of the Philippines (TUCP) Secretary-General, advised them on the option of contesting the outsourcing scheme in the courts without having to engage in mass protests. The previous PALEA leadership's idea was to accept outsourcing, organize the workers at the service providers and transform the union into a federation of airline employees at PAL and its agencies. Agency workers' right to unionize was recognized in the DOLE Department Order No. 18-A, S. 2011. However, PALEA's new

leaders knew from the sad experience of the earlier spin-off of PAL's maintenance and engineering departments that demoralization of workers who were outsourced and management interference against unionization were formidable barriers to organizing service providers.

Accepting the outsourcing scheme without a fight—as what had happened in the spin-off of the maintenance and engineering departments—would have led to workers losing their security of tenure, big cuts in wages and benefits, loss of voice in the workplace and a cloud of defeat and demoralization dampening workers' appetites to unionize anew in the service providers. As far as PALEA's new leadership was concerned, it was a no brainer. Rather than raising the white flag, it was better to hold the red banner of resistance. But for the fight against outsourcing to be successful, PALEA had to be united and consolidated as a union.

PALEA leaders were aware of the changes the union needed to undertake and networks to be built to win the fight against outsourcing. But union renewal was not a conscious project in the sense that the concept and term was understood by PALEA officers and members. Here was a case where a thing was made before a name was given.

To unite and consolidate the union, PALEA's leadership undertook a vibrant education campaign. The core of the project was raising the awareness of the union membership through a popular course on trade unionism and labor rights. More advanced courses were also part of the curriculum but not as massively taught as the basic union course. Interested members, not just select leaders, were sent by PALEA to attend trainings, workshops and fora sponsored by different groups, NGOs and advocacies. PALEA put union resources—funds, materials, personnel and time—for the education campaign to raise the awareness of its members. Only a small but significant section of the membership was reached by the education effort but those who did graduate from PALEA's "school of unionism" went on to take up leadership positions in the course of the dispute.

The mass of PALEA's ordinary members was really influenced by the colossal endeavor to put out written materials and hold face-to-face meetings with officers. The union newsletter was published regularly and massively to reach the membership. PALEA's officers travelled around the country to discuss and debate with members

in the outlying stations. In Metro Manila, where most officers were based, frequent mass gatherings were held at the airport and offices. Interaction and engagement with members provided both leadership and rank-and-file with a feedback mechanism.

Another notable change undergone by PALEA was the formation of a Women's Committee to consolidate the female union members and promote them to leadership positions in the union and the struggle against contractualization.

Union finances were made transparent to members and the PALEA constitution and by-laws were strictly followed in handling its funds. Union funds were diverted to sustain the PALEA picket line when it was setup but the money spent was replenished when the settlement agreement was signed.

Workplace grievances and union welfare projects continued to be carried out even when PALEA was in the thick of the fight. As in any union, services had to be provided for its members.

But the old style and norms of union leadership was put in the trash can and not in the recycling bin. A new culture of membership participation and a different mode of leadership were forged within PALEA in response to the exigencies of the outsourcing struggle.

In addition to renewing the union itself, PALEA also had to construct a labor-community coalition around the contractualization campaign. In this, PALEA was very conscious of the need to forge solidarity within and outside the labor movement, both domestic and abroad.

At the very start, PALEA deliberately sought out allies and supporters. In the middle of the campaign, the slogan "Ang laban ng PALEA ay laban ng lahat" was coined and become an instant hit with both its members and supporters. The catchy slogan embodied not just the model of building a labor-community coalition but also framing the struggle as something beyond the four corners of the airport.

Thus, in the course of the protracted dispute, PALEA recruited as allies in its struggle a broad cross-section of the fractious labor movement in the country, institutions within the Catholic Church, various unions in several countries, and most progressive groups, human rights, migrants organizations and even student groups.

The solidarity network served the purpose of leveraging both PAL management and government institutions to concede to PALEA's demand

to protect regular jobs and start CBA negotiations.

On the strength of PALEA's determination to fight and the solidarity of a significant section of society, the campaign against outsourcing and contractualization managed to influence public opinion, government policy and finally management decisions. The DOLE issued DO 18-A as the new rules on contractualization in the immediate aftermath of the PALEA's September 2011 sit-down action and in response to the controversy over contracting. Other departments due for outsourcing by PAL were put on hold as PALEA tenaciously fought the mass retrenchment of employees in catering, airport services and reservations. PAL finally agreed to sign a deal in November 2013 that provided for the rehiring of the remaining 600 PALEA members who defied the outsourcing scheme. Public discontent over contractualization was such a hot issue that in the 2016 presidential election, it became a topic of conversation. As a result, President Duterte declared his intention to end *endo*; today, his government is still being challenged by the labor movement to uphold this promise.

Implications of PALEA's struggle and renewal

The findings of this study put into question earlier research, specifically that of Salas-Szal (2006) who argued that IR at the national flag carrier had been transformed into a cooperative and harmonious type from a historically antagonistic mode. It turns out that industrial peace from 1998 to 2009 was merely the peace of the grave built not on union participation, management cooperation and harmonious relations but on the co-optation and passivity of PALEA. The antagonistic relations between workers and capitalists that remained hidden below the surface burst into open warfare with the outsourcing dispute.

The thesis of IR transformation at PAL is belied by the adversarial relations that returned with full force in 2009. This period of industrial belligerence was characterized by the intransigent implementation of the contractualization plan, unsuccessful attempts by the state to intervene and mediate, and the unprecedented fight waged by PALEA. The protracted and pernicious outsourcing row saw the flag carrier brought to the brink of a strike in 2010 and 2011, paralyzed by a sit-

down action in 2011 and disrupted by a 26-month long picket-protest near the airport.

In comparison to the misplaced optimism of Salas-Szal, the cautious pessimism of Ofreneo (1999) on the CBA moratorium is more prudent. Ofreneo provided a key insight with the point that factionalism was a major factor in the successful imposition of the CBA moratorium. Indeed the PALEA leadership was split over the moratorium demanded by PAL in 1998 with Alexander Barrientos, then PALEA President, consenting but Rivera, then the union Vice President, resisting. Even when Lucio Tan closed down PAL, the resistance initially did not collapse as the PALEA membership opposed the moratorium in a referendum overseen by the DOLE. It took internal maneuverings and a second referendum before PALEA members finally succumbed to PAL's blackmail. Rivera opined that referendum is a misnomer since there was actually no written agreement which was the subject of the vote called and supervised by the DOLE. His statement contested the opinion of a former labor secretary who presided over the 1998 dispute (Laguesma, 2011). When PAL reopened, Rivera led a group to contest the moratorium in court. The Supreme Court sustained the legality of the 10-year CBA suspension in a controversial decision that later became the subject of inquiry of the International Labor Organization High Level Mission for allegedly violating Conventions 87 and 98 on freedom of association and collective bargaining, respectively.

In the wake of the imposition of the CBA moratorium, PALEA spent years in the wilderness of factionalism. Union elections became the subject of intense protests, accusations of fraud, protracted litigation and boycott tactics. In the midst of this confusion, Barrientos served in a holdover capacity until unseated by Edgardo Oredina in another vicious instance of factionalism. In a belated decision, the High Court eventually ruled that Rivera won the disputed election of 2002. But by the time the Supreme Court released its ruling, Rivera and his group were well on the way to overcoming factionalism after winning the 2010 elections against Oredina. With a landslide win and an undisputed mandate, the new leadership finally embarked on a project to renew the union and unite PALEA's leadership and membership in a determined fight against outsourcing and contractualization.

It is clear therefore that the Marxist tenet of a battle between workers and capitalists, the class struggle in other words, is truly reflected in the labor disputes at the national flag carrier. Class struggle ebbs and flows; periods of intense open warfare are succeeded by phases of downturn with its attendant passivity of workers or co-optation of leaders. Defeats lead to worker demoralization but class consciousness and the fighting mood is revived again later with continued attacks by capitalists on the working and living conditions of the working class. The historically adversarial labor relations between management and its unions at PAL is just an expression of the class struggle between the working and the capitalist classes.

The union renewal undertaken by PALEA affirms the experience of many unions in other countries. Union renewal is a choice that is a response to an external challenge. In the case of PALEA, the threat of outsourcing provided the impetus for an organizational change from a passive and co-opted union into a democratic and fighting organization.

The social movement unionism model of undertaking the struggle not as a narrow sectional interest of one union but as the inclusive demand of the whole class is also affirmed by the experience of PALEA's struggle against outsourcing. Even if not entirely a win, at least not yet, PALEA's experience shows the integral importance of forging a union-community alliance as part of the union renewal process and the success of labor fights in the age of globalization.

Serrano proposed two logics of union revitalization—accommodation and transformation—which can exist together or alternate. In the example of PALEA's renewal, the logic of transformation was predominant. It, however, followed an earlier logic of accommodation pursued by the previous PALEA leadership that was, for all intents and purposes, an utter disaster. Accommodation led to union stagnation. It was a failure even by the avowed aims of the old leadership as spin-off maintenance and engineering workers were never unionized and the previous PALEA officers were forced, even if belatedly and half-heartedly, to file a notice of strike in 2010 against the outsourcing plan. The logic of accommodation having been exposed as bankrupt, the logic of transformation became the rational option for PALEA's new leaders. With the logic of transformation, as exemplified in the launching of a

frontal counter-attack on management's outsourcing offensive, radically changed the nature and form of PALEA as a union.

Under the stewardship of PALEA's current set of officers, much has been accomplished in revitalizing the union and waging the fight. But as analyzed in this study, PALEA has only been partially successful in the struggle against contractualization. Thus, much still needs to be done. Again, it will be the strategic choices of the leadership that will be key in forging the next steps for the Union.

First, the leadership should continue to demand the reinstatement of the PALEA 600 and a stop to outsourcing. The demand for rehiring is the minimum while the end to outsourcing is the maximum demand. It is both principled and practical. As revealed in this study, it is not an impossible task.

PALEA officers must seek new and creative forms of struggle to complement its existing repertoire of action. A step in this direction is PALEA's push for inspection of PAL's agencies. In 2017, the DOLE conducted inspections of PAL's service providers to ensure compliance with labor and occupational safety and health standards, including rules on contracting. PALEA representatives were part of the inspection teams led by DOLE's labor law compliance officers. PALEA should maximize to the full the opportunities provided by the present government's promise to end contractualization.

PALEA's leadership needs to make another strategic choice on developing a fight to restart CBA negotiations. A parallel campaign on the CBA should aim to revitalize membership that is still on active duty and has not been outsourced. The fight to open new CBA negotiations is distinct but related to the struggle against outsourcing, as has been determined in this study. Still, the demand to restart bargaining talks has its own particularities. It is in the interest of PALEA members on active duty that their wages and working conditions be improved through a salary hike for example. The proper venue to demand it is through new contract negotiations. The demand for CBA talks can animate and mobilize PALEA's members on active duty. PALEA's members who have not been affected by outsourcing are based in the Nichols offices, the PNB Building at Macapagal Boulevard and the various ticket outlets scattered in Metro Manila and the provinces. These offices house the departments on sales, in-flight operations, human resources, accounting and other administrative areas.

It is up to PALEA's leadership to draw up a plan to synergize the two issues of reinstating the PALEA 600 and restarting CBA negotiations and unite the whole membership of the union. As PALEA's experience has shown, when disunity and factionalism predominate, the union is weakened.

As has been examined in this study, the outsourcing fight was a defensive, not an offensive battle. PALEA was merely trying to maintain its membership from the onslaught of termination and contractualization. However, PALEA should now shift gears and go on the attack. It should enlarge its membership by organizing the workers in PAL's service providers.

Unionizing employees of the service providers should be a tactic to complement, not replace, the strategy of resisting contractualization. It must lay within the logic of transformation, not accommodation. Even as PALEA continues to demand a stop to outsourcing, it can attempt to organize workers in the agencies utilized by PAL like Sky Logistics, Sky Kitchen, MacroAsia and Lufthansa Technik Philippines. Such a tactical shift will bolster PALEA's leverage instead of diminish the force of its struggle. Unionizing workers in agencies has been achieved here and abroad and is a useful tactic for the labor movement.

The difficulties of organizing workers in the service providers may be mitigated by the current push to reform the rules on contractualization and the raised expectations of the public due to the government's promise to end endo. The consciousness of workers is fluid, as affirmed by this study.

In these proposed campaigns to reinstate the PALEA 600, open CBA negotiations and organize workers in the service providers, the solidarity of the union's wide web of supporters should be maximized.

PALEA should revive the international solidarity that was once a key plank of its strategies. While not consciously abandoned as a tactic, actions from abroad died down after the signing of the deal with PAL under SMC. It is time to rekindle support from international allies as it remains a major source of organizational strength for PALEA. All the links and relationships with the various unions and groups remain in good standing and even new ones can be forged.

On the domestic front, even as the labor coalition Nagkaisa! escalates its anti-endo advocacy, it can simultaneously open new fronts

on issues like wage. While contractualization is certainly an urgent concern, workers also suffer from low wages, unsafe working conditions and lack of voice in the workplace, among others.

Wage is again becoming a major concern as inflation depreciates workers' purchasing power. Also, the series of industrial tragedies from Kentex in Valenzuela to House Technology Industries in the Cavite ecozone highlight the need for action from organized labor. The proposal of Nagkaisa! that trade unionists be deputized as labor inspectors has already been codified in the new DOLE Department Order 183. Further, Nagkaisa! and other labor groups can collaborate on a joint or coordinated campaign to unionize the open shop factories of the industrial zones where a large number of workers are now found. As Nagkaisa! undertakes these tasks, it thereby consolidates and expands the unity it has forged during the PALEA campaign.

PALEA's other stakeholders such as the social action institutions of the Catholic Church and student groups should be engaged and involved in these labor struggles. A labor-community coalition similar to that built in support of PALEA can be the model upon which new broad and inclusive campaigns can be launched.

PAL management should reconsider its opposition to the rehiring of the PALEA 600. It is a hope predicated not on a moral appeal for a "change of heart" from PAL but on a practical recognition of its interest in effective management of people and resources. A policy that is vehemently resisted will face grave difficulties. Precisely such transpired in the execution of the outsourcing scheme. The usual measures of increasing the amount of separation pay obviously did work. PAL has to pragmatically acknowledge that PALEA's fight shows no sign of abating. Even more, PAL should read the signs of the times, and feel the changing winds of public opinion and even the perceptible turn in government pronouncements.

It is incumbent on government to deliver on its promise of ending *endo* and reform the policy on contractualization. PALEA has framed its dispute as beyond the flag carrier. It started as a slogan, but as a result of its trailblazer struggle, it is a reality that "Ang laban ng PALEA ay laban ng lahat." Inspired by PALEA's fight, the coalition Nagkaisa! has managed to unite a broad section of the labor movement and sustain a campaign to prohibit contractualization. Aside from

Nagkaisa!, other labor groups are waging parallel campaigns to ban all forms of endo.

Encouraged by the presidential promise of ending endo, the labor movement's struggle against contractualization is continuing. Already, the newly released DO 174 has been criticized as an epic fail for breaking the promise of ending contractualization. For labor groups, DO 174 is not just a rehash of DO 18-A but worse, a second-rate trying hard copycat (Inquirer.net, 2017 March 18). The nominally positive provisions of DO 18-A are not present in DO 174. With such a policy, change is not coming in the IR front. Unrest among workers may be forthcoming since their expectations have been raised by promises that may not be realized given the intransigence by employers, the inertia of the bureaucracy and the President's primordial focus on the war on drugs.

Conclusions

The struggle of PALEA against PAL's outsourcing program encapsulated a form of union renewal in accordance with the logic of transformation that Serrano theorized.

Faced with the challenge of job outsourcing and mass termination, if not the busting of the union, PALEA's leaders made a strategic choice to resist rather than adapt. PALEA has always argued that the union had no choice but to fight. Yet, the reality was that PALEA indeed had an alternative choice of accepting contractualization then contesting it purely in the legal arena and/or organizing outsourced workers in the service providers. It was an alternative that PALEA leaders were aware of but dismissed outright as leading to the further weakening, if not death, of the union.

The previous union leadership had taken the logic of accommodation that was expressed in the acceptance of the CBA suspension and the spin-off of the maintenance and engineering department. PALEA's leadership under Rivera assessed that the logic of accommodation resulted in union decline and, therefore, their different choice of union renewal through the logic of transformation.

In order to effectively resist outsourcing, PALEA had to renew itself. From a passive and co-opted union that was retreating in the face

of management attacks, PALEA transformed into a fighting organization strengthened by mass participation. Union members were empowered by popular education, written materials, mass meetings and participation in all sorts of union activities and mobilizations. The external threat of management's dogged implementation of the outsourcing program and government's affirmation of it molded the contours and tempo of the internal organizational changes undergone by PALEA. The internal and external resistance and renewal dynamically fed into each other and produced a shared consciousness and will to fight that was expressed in countless protests, several massive rallies at the airport, enormous support among members for a strike, a paralyzing sit-down protest and a 26-month long picket line.

From the very start, PALEA envisioned and implemented its campaign as a fight that went beyond the four corners of the airport to encompass the whole labor movement and even civil society. What PALEA may not have foreseen was the success and extent of the web of unity and network of solidarity it actually built in the course of the years-long dispute. It inspired the formation of the labor unity coalition Nagkaisa!; it prodded the consolidation of church-labor solidarity into a formation called Church-Labor Conference; it helped conscientize a group of student activists from Ateneo de Manila University known as the Union of Students for the Advancement of Democracy (USAD) through actual integration into a labor struggle; and it forged international links among disparate labor organizations, such as the Socialist Alternative of Australia, the Australia Asia Worker Links and Unifor of Canada, that assisted PALEA's fight in more ways than one, including unprecedented global days of action.

In the end, the determined fight and the network of solidarity fused to exert enough leverage to impact on the behavior and actions of the IR parties involved in the dispute. The government promulgated new implementing rules on contractualization that was a marked improvement on earlier orders. Management was stopped from outsourcing the departments that it had initially planned. And finally, a settlement agreement was forged between PAL and PALEA that provided for increased separation benefits and for the rehiring of the union members who continued the resistance up to that point.

The only thing tentative in the list of possible conclusions is whether PALEA's heroic battle for regular jobs and collective bargaining was a win or a loss. There were valid arguments to consider it a partial victory. But the final judgment is yet to come and the fight against contractualization, both at the national flag carrier and elsewhere, persists and perhaps may even heighten.

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