

# President Aquino imposes strike ban on Philippines Airlines workers

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In an unprecedented move, Philippine President Benigno Aquino III has by-passed his Department of Labor and Employment (DOLE) secretary, Rosalinda Baldoz, and directly intervened in a long-running industrial dispute at Philippine Airlines (PAL) through an assumption of jurisdiction (AOJ) order. The AOJ, which was issued on December 14, banned the airline's ground staff from striking and temporarily put on hold a company restructuring plan to outsource "non-core services" and sack 2,600 workers.

AOJ orders, which are part of the labor code crafted by the former dictator Ferdinand Marcos at the height of his martial law regime in 1974, can block or end strikes, impose settlements and call out security forces to suppress resistance. In this case, Aquino intervened to prevent threatened strike action at the national carrier during the busy Christmas/New Year period, preparing the way for PAL to carry out its job shedding in a later period.

Industrial conflict with PAL management began last year, in the wake of the global economic downturn and rising aviation fuel prices. PAL lost over \$US268 million in its 2009 fiscal year as its international passenger traffic fell by 6.4 percent and fuel costs rose by over 88 percent.

The carrier responded with a rationalisation program in August 2009 that included slashing its 8,000-strong workforce to less than 5,000. The job destruction involved contracting out its airport services department (2,000 workers), in-flight catering (400 workers) and reservation services (300 workers). The airline claimed the measures would save it over \$133 million annually.

The airline ground staff union, PAL Employees Association (PALEA), responded by promoting the illusion that jobs could be defended by appealing to the government. After months of fruitless negotiations,

the union filed a notice to strike in January 2010. Explaining the purpose, PALEA president Edgardo C. Oredina stated in February: "The decision to file a notice of strike is to attain the highest degree of participation of the government in resolving the current situation."

Oredina was ousted later that month by ground staff determined to defend their jobs and an ostensibly "left-wing" group of union officials led by Gerry Rivera. Rivera, however, maintained the same bankrupt perspective—that the capitalist state under supposedly "democratic" leaders like President Aquino could be pressured to side with the workers.

In April 2010, PAL formally announced that its airport services, in-flight catering and reservation services and all affected workers would be terminated the following month. The Labor Department issued an AOJ to head off potential strike action during the May elections and in June, with the national election out of the way, ruled that the airline's contracting out plans were "lawful".

PALEA appealed the decision to Aquino's newly-appointed labor secretary Baldoz, and in October, she too ruled that the contracting out was a "humane" exercise of "management prerogative."

In the subsequent two months, PALEA held protests outside the labor department offices in Manila, appealing to Aquino to follow the "straight path". In late November the union held a 3,000-strong protest in Makati city to demand the "government institute reforms to enhance job security and stop contractualisation schemes."

PALEA lodged an official appeal for a presidential review of the Baldoz's decision even after administration spokespersons repeatedly backed the decision as "based on law" and urged the airline

workers to appeal to the courts for redress.

Labor court cases in the Philippines are notorious for taking years, even decades, to be resolved. On December 8, the union, under growing pressure from its membership, held a ballot for strike action. Over 86 percent of the ground staff union members or more than 3,000 workers voted for strike action. PALEA, however, cynically used the vote to make more appeals for the government to intervene.

PALEA president Rivera played down the strike vote as a “protest” and that union members were simply exercising their “freedom of expression”. At the same time, the union continued to solicit the president’s intervention. As GMA TV News reported on December 13, the union had not even filed a notice of strike. As PALEA vice president Alnem Pretencio told the media: “The union held back from filing the strike notice precisely because it was ‘hopeful’ that [Aquino] would be able to broker a solution to the dispute acceptable to all parties.”

Predictably Aquino’s December 14 assumption of jurisdiction order was immediately welcomed by PAL management and PALEA. The union immediately rushed to thank Aquino, claiming that the AOJ represented an “initial victory”. However, Aquino’s intervention was aimed at helping the company, not the workers.

PAL president Jaime Bautista declared the strike ban to be the “best Christmas gift the [Aquino administration] can give to thousands of anxious PAL passengers with scheduled flights this holiday season.” The “spin-off [job cuts] can wait,” he added. In other words, strike action during the company’s most profitable period had been averted, allowing it a breathing space to implement its costing-cutting and contracting out plans after the holiday season.

Throughout the dispute PALEA has opposed unified action with PAL flight attendants, who have been in conflict with the national carrier since November 2009 over outstanding pay claims and the retirement age of female flight attendants. Joint action with Flight Attendants and Stewards Association of the Philippines (FASAP) and PALEA, let alone any broader appeal to the working class throughout the country and internationally, has been rejected out of hand by officials from both unions.

Predictably, when the labor department ordered the

national carrier to lift the retirement age for female flight attendants from 40-45 to 60 and grant pay increases, FASAP quickly accepted the order and called off its threatened strike action. The end of this long-running dispute will further isolate PALEA members.

The PAL unions have led workers into a dead-end. Any genuine struggle to defend jobs and conditions necessitates a political struggle against the Aquino administration which defends the interests of the corporate elite. Such a fight involves a turn not only to other PAL workers but to other sections of the working class in the Philippines and internationally. What is facing PAL employees confronts workers throughout the international airline industry amid cutthroat rivalry for passengers and profit and other industries hit by the global economic crisis. To defend jobs involves a complete break from the unions and the construction of independent rank-and-file organisations to unify workers on the basis of a socialist and internationalist program.



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