German train drivers to go on longer strike after holiday season

BERLIN — Germany's GDL train drivers' union said it planned a strike that would last several days after the Christmas holiday as a wage dispute with rail operator Deutsche Bahn continues.

"From Jan. 8th, you should expect longer labor disputes," GDL head Claus Weselsky was quoted as saying by *Augsburger Allgemeine* newspaper.

The union held a 24-hour strike last week, its last strike of the year, after negotiations with Deutsche Bahn broke off at the end of November.

The GDL is demanding a reduction in working hours from 38 to 35 hours per week for shift workers, as well as an increase of 555 euros per month and a one-off inflation compensation bonus of 3,000 euros.

Deutsche Bahn rejects the demanded reduction in working hours due to a labor shortage and has offered an 11% increase in wages and salaries for a collective agreement term of 32 months.

The GDL rejected the offer. Mr. Weselsky said the union would strike in moderation and was not planning an indefinite strike. "We don't have to go on strike indefinitely to bring the rail system to a standstill," he added. — ***Reuters***

ILO workplace violence rules to guide bilateral labor deal review

BILATERAL labor agreements will need to be updated in compliance with the Senate's ratification of the International Labor Organization (ILO) convention on workplace violence and harassment, the Department of Migrant Workers (DMW) said.

Speaking to reporters this week, Assistant Secretary Jerome A. Alcantara said the ratification of the ILO Convention 190 of 2019 requires parties to take concrete action against workplace harassment and violence, which covers those working overseas.

"It does not stop with just signing a treaty, and releasing press releases. What is crucial are the accompanying concrete action we need to take because of its ratification," he said.

The Senate unanimously ratified the convention on Monday, making the Philippines the first Asian country to affirm the treaty.

Mr. Alcantara told *BusinessWorld* that bilateral agreements should be updated to bring them in compliance with the convention, starting with agreements due to expire next year.

"One of the main pillars of the mandate of DMW is to negotiate better conditions for our workers; and in those negotiations, we are bound by our international obligations," he said.

Labor groups also expressed their support for the ratification, urging the government to align labor policy with ILO norms.

The Trade Union Congress of the Philippines President and Party-list Representative Raymond Democrito C. Mendoza, who filed a resolution calling for the ratification of the ILO convention, urged government, businesses, and civil society to do their part in ensuring its effective implementation.

"This international agreement is a testament to the commitment of the global community to eradicate violence and harassment in all its forms, emphasizing the importance of fostering environments that prioritize the well-being and dignity of all workers," he said in a statement.

"The ratification of C190 comes at a crucial time when our workers continue to be subjected to various forms of violence and harassment, including physical violence, psychological violence, sexual abuse and economic violence committed by various state and non-state offenders," the Public Services Labor Independent Confederation said in a statement. — **Jomel R. Paguian**

OPINION

Managing without regular employees

IN THE WORKPLACE
REY ELBO

ELBONOMICS: The law on supply and demand is also known as war on talent.

We're a three-year-old family business. Outside of family members, our 65 workers are all temps, casual employees, part-timers and project workers. We rely much on manpower agencies and third-party service providers to handle our operations. Is it possible for us to continue with this arrangement without necessarily hiring full-time, regular workers? What are the adverse implications, if we keep operating with non-regular workers? — Cheap Skate.

Sooner or later, you'll be in legal trouble with labor authorities, who may receive complaints from "employees" working under your roof. This is possible when your management team ignores the so-called "four-fold test" of establishing the existence of an employer-employee relationship.

The four criteria of the test are as follows: One, selection and engagement of employees. Two, payment of their wages and benefits. Three, the power of dismissal. And four, the power to control the employee's conduct.

Even if you have a decent number of regular workers but they're outnumbered by atypical workers like those provided by manpower agencies and cooperatives, it could raise possible issues in the near future. That's why you should exercise extreme caution in maintaining a workforce composed of non-regular employees.

If I were to have my way, I'd aim for a ratio of 80-20 (regular workforce vs. temps), which will likely be sufficient to persuade labor authorities, tripartite bodies or industry labor-management councils that you're not abusing the temp system.

WASTAGE INDEX

Any organization fully relying on temps does not understand employee motivation. Who would want to continue working for a manpower agency or a cooperative for only the most basic wages and benefits and limited career opportunities?

You must consider the experience accumulated by temps that is wasted if and when they decide to move to some other employer who can give them much better compensation and career opportunities. This will be made clear when you compute the company's wastage index, a measure of how well you maintain temps and other contractual workers.

Let's say you have 500 temps at the start of the year. By Dec. 31, 60 temps have resigned voluntarily and have been honorably discharged, for various reasons. This translates to a 12% turnover rate, sometimes called the wastage index — representing the loss of experienced and talented people.

Why do we consider it wastage? Take the issue of training. How can your work teams function effectively if the temps continually come and go? Imagine the hassle. This may not be a big issue in the case of simple manual operations in organizations like fast food restaurants and department stores.

But then, how about other businesses like high-technology manufacturing or service jobs requiring special skills for customer relations?

Imagine the investment in training that you had to make. This problem is magnified with the continued inflow of new temps requiring fresh training, even if you classify this as an employment cost and not an investment. Double check whether the cost does not in any way wipe out the advantages of hiring temps.

Another reason to be dubious about an all-temp company is that customer service is no simple task that can be left to workers whose continued presence is dependent on your contract with the service provider. Another issue is their motivation to perform their duties when their minds are focused on finding better employment.

Therefore, your best approach is to periodically assess your options when relying on temps.

LABOR SUPPLY

Unemployment in this country is high even in normal economic situations. That means an abundance of people looking for jobs. Many are eager to be employed full time but only a handful are chosen because the majority lack the skills required for the tasks at hand.

Looking for the best person for the job is a difficult challenge for many organizations. This can be easily demonstrated by thousands of job ads posted on social and print media every day.

Even if you're focused on maintaining only temps for your organization, there will come a time that you'll need the right number of people who would want to be hired directly rather than by manpower agencies, cooperatives or other third-party service providers. If that happens, what would you do?

Bring REY ELBO's leadership program on "Superior Subordinate Supervision" to your management team. Or chat your workplace issues via Facebook, LinkedIn, X (Twitter) or e-mail elbonomics@gmail.com or via ***https://reyelbo.com***

Tariffs,
from S1/1

Inflation averaged 6.2% in the January-to-November period amid rising prices of food and fuel. The BSP expects inflation to average 6% this year and 3.7% in 2024.

Rice prices have been volatile this year. In September, rice inflation surged to 17.9%, the highest print since March 2009, prompting the government to impose a price ceiling for one month.

"We will also be able to encourage alternative supply to diversify the country's market sources and establish a forward-looking trade policy that will allow effective and timely response for possible supply and price shocks brought about by major challenges such as the worsening African Swine Fever, anticipated impact of the El Niño phenomenon and continuous increases in commodity prices in the world market," Mr. Balisacan said.

He said the NEDA Board also approved the Committee on Tariff and Related Matters' recommendation to review the tariff rate on coal on an annual basis, instead of every six months.

EO 10 had stated that the zero duty on coal would be applied beyond Dec. 31, 2023.

"Extending reduced tariff will further discourage production which goes against the promise and objective of President Marcos," Philippine Chamber of Agriculture and Food, Inc. President Danilo V. Fausto said in a Viber message.

The Federation of Free Farmers opposed the extension of the reduced tariffs, saying Mr. Marcos had been poorly advised. — **Kyle Aristophere T. Atienza**

FULL STORY

Read the full story by scanning the QR code
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*Excellent team management skills, ability to delegate task, and advanced technological skills set
*Highly proficient in Mandarin, bilingual and other foreign language

BSP,
from S1/1

Ms. Sicat said inflation may return to the 2-4% target range by the first quarter of next year, but it will quicken to above the target in the second quarter.

"Inflation is likely to settle (within 2-4%) in the first quarter in 2024 mainly due to the negative base effects but could temporarily accelerate above the target from April to July due to the impact of El Niño weather conditions, the lag impact of wage adjustments in 2023, as well as the positive base effects," she said.

"Subsequently, inflation is projected to return to target in the third quarter of 2024 and settle nearer in the midpoint of the target in the fourth quarter of 2024 owing to the decline in the world oil prices," she added.

Headline inflation slowed to 4.1% in November from 4.9% in October. November marked the 20th straight month that inflation breached the central bank's 2-4% target range. In the January-to-November period, inflation averaged 6.2%.

Mr. Lapid also said the BSP incorporated the looming water rate hike in Metro Manila in their forecasts, but noted it only has a "minor effect."

The Metropolitan Waterworks and Sewerage System approved an increase of P6.41 per cubic meter for Manila Water Co., and a hike of P7.87 per cubic meter for Maynilad Water Services, Inc. The higher rates will take effect on Jan. 1, 2024.

Mr. Remolona also said strong demand is expected in the fourth quarter due to sustained consumer spending and improved labor market conditions.

"The BSP will also continue to monitor how firms and households are responding to tighter monetary policy conditions alongside evolving domestic and external economic conditions," he said.

Mr. Remolona also said the BSP's latest survey of private economists shows that inflation expectations have been anchored, as mean forecasts for 2024 and 2025 are within the 2-4% target range.

In its survey of 25 external analysts between Dec. 5 and Dec. 10, the BSP said there were lower mean inflation forecasts for 2023 (at 6% in December from 6.1% in November) and for 2024 (at 3.9% from 4%).

However, the mean inflation forecast for 2025 stood at 3.5%, a tad higher than the 3.4% previously.

"The Monetary Board also noted that previous adjustments have continued to work their way through the economy, as can be seen from the declining path for core inflation," Mr. Remolona said.

Core inflation, which discounts volatile prices of food and fuel, eased to 4.7% in November from 5.3% in October. In the 11 months to November, core inflation averaged 6.8%.

"In the coming quarters, the National Government's non-monetary interventions will remain crucial to sustain the disinflation process. Going forward, the BSP remains ready to adjust monetary policy settings as necessary, in line with its mandate to ensure price stability," Mr. Remolona added.

EASING IN 2024?

Pantheon Macroeconomics Chief Emerging Asia Economist Miguel Chanco said even if the Monetary Board continues to pause, tight monetary policy will continue to weigh on economic growth.

"Our base case still is that the Board will start easing monetary policy in the first quarter of next year, with 2024 likely to see a total of 100 bps worth of rate cuts, at least, to take pressure off of a slowing economy," he said.

Mr. Chanco said the Philippine economy may grow by 4.8% in 2024, slower than a likely 5.4% expansion this year, mainly due to slower private consumption.

He also noted the US Federal Reserve has signaled that a shift to a neutral stance.

"Our house view is that the Fed will slash rates by 150 bps in 2024, giving central banks across the region more than enough room to start normalizing," he added.

As widely expected, the US Federal Reserve kept rates unchanged at 5.25-5.5% during the Dec. 12-13 meeting. The Fed has raised policy rates by 525 bps from March 2022 to July 2023.

Meanwhile, ING Bank N.V. Manila Senior Economist Nicholas Antonio T. Mapa said the BSP is unlikely to cut anytime soon.

"The central bank will likely extend its pause until inflation is well-within target and until inflation expectations are anchored," he said.

"We expect the BSP to be on hold well into 2024, with potential rate cuts only likely to be considered towards the end of next year," he added.

NEWS ONLINE
www.bworldonline.com

EMPOWERING SCHOOLS IN FAR FLUNG AREAS–Meralco's social development arm, One Meralco Foundation (OMF), in partnership with Lenovo Philippines Inc., has pledged to donate more laptops for the Foundation's school electrification program, with the aim of enhancing the learning experience of students in far-flung areas in the country.

Leading the turnover ceremony were (in photo L-R) Lenovo Philippines President and General Manager Michael Ngan, Lenovo Greater Asia Pacific Executive Director and Regional General Manager Matt Codrington, Meralco Chairman and CEO and OMF Chairman Manuel V. Pangilinan, and OMF President and Meralco Vice President and Chief Social Responsibility Officer Jeffrey O. Tarayao.

Since 2012, OMF has successfully energized 290 off-grid public schools in far flung communities in the country, directly benefitting 89,235 students and 2,903 teachers.