
GLOBAL ELECTRONICS INFORMATION NEWSLETTER

Number 10

May, 1981

INDY IMPORTS FILIPINOS

Early this year, San Mateo, California-based Interlek brought thirty-six Filipino electronics workers to Manteca for several months, California to help train some 200 American workers in the assembly of integrated circuits. The Filipinos come from Dynetics, a Philippine-based assembly subcontractor partially owned by Interlek president Jacob Ratinoff. Interlek serves as the marketing arm of the Philippine company.

When Interlek established its domestic custom assembly operation, called Indy Electronics, in Manteca, some fifty miles east of Silicon Valley, it drew upon Dynetics' experienced workforce. Ironically, many of the Indy trainees are Filipino immigrants, and an even larger number are Indochinese refugees.

The starting wage for assemblers at Indy is \$3.50 per hour, compared to US\$3.00 per day at Dynetics. Half the Dynetics wage consists of the government-mandated "emergency cost of living allowance" (ECOLA), which is supposed to protect workers from the Philippines' high inflation rate, which averages more than twenty percent each year. However, real wages have still fallen forty percent in the metropolitan Manila area - where Dynetics is located - since 1972, when Martial Law was declared.

In May, 1980 the workers at Dynetics staged

a one-day sit-down strike to protest a three-month delay in raising the ECOLA. Dynetics workers are among the small number of Filipino electronics workers represented by a union. The only other company where workers have a union is Stanford Microsystems, another subcontractor.

Earlier, in February, 1980, the company had laid off 1,800 of its 7,000 employees, blaming the U.S. recession and rising fuel prices. Since then, only a few have been rehired.