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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.

U.S.A., INC.?

Control Data, a major U.S. computer manufacturer, has proposed a cooperative venture between U.S. computer and microelectronics companies to develop VLSI computer chips. The new firm, which would be structured to comply with anti-trust statutes, would help mid-size U.S. firms compete with the other major VLSI efforts, by IBM, AT&T's Bell Labs, and the Japanese. It is tentatively called Micro Electronic Enterprises. Not all of Control Data's competitors like the idea, however. One Sperry-Univac executive told **Business Week** that cooperation might actually increase development costs to his company. (**Business Week**, April 20, 1981; and **Electronics News**, April 13, 1981)

FAIRCHILD IN ASIA

It is difficult for researchers in industrialized countries to gather information directly from the women who work Asia's assembly lines, so we are particularly happy to see a new 70-page pamphlet, "The Invisible Control: Management Control of Workers in a U.S. Electronics Company." Written by Sr. Christina Tse for the Hong Kong-based Center for the Progress of Peoples, "Invisible Control" is available for US\$2.40 plus shipping from CPP, 48 Princess Margaret Road, Homantin, Kowloon, Hong Kong.

Tse's study is based primarily upon interviews of Fairchild Semiconductor employees in Hong Kong and Korea. She discusses the pseudo-representative Joint Consultation Committee, sophisticated personnel practices, and **Fairchild Life** - the company organ - in Hong Kong. In Korea she reviews the control of union leadership, the promotion of "Saemaul Spirit," and company efforts to promote foreign culture. (For instance, company cooking classes teach women workers to prepare roast beef and French toast, although they can't afford to buy the ingredients.)

Tse points out that Fairchild provides better working conditions - such as air conditioning and transportation - than many other firms in Hong Kong, but its pay is among the lowest. Wages differ substantially at Fairchild plants in different countries. In fact, wages are not the same at the company's two Hong Kong plants. One plant, Wing Kai, is not normally identified as a Fairchild subsidiary, perhaps to discourage comparison. In late 1980, Korean Fairchild assembly workers were paid US\$2.98 per day after six months and US\$5.06 per day after seven years, for an eight-hour day. In Hong Kong, the average worker received US\$6.40 after six months and US\$8.60 after six years, for a eight-hour day.

In Korea, Tse points out, the company has sped up production since 1976 with a carefully monitored "units per hour" system. Fairchild

has used the threat of a plant closing - and lay-offs - to discipline workers. In fact, it closed one of its two Korean facilities in 1977, blaming labor difficulties, and eliminated 2,000 jobs.

In September, 1980 Fairchild's Hong Kong branch gave workers the option of reducing hours (to a four-day week) or facing the possibility of lay-offs. By offering compensation the company got workers to apply to be dismissed. Fairchild terminated 300 workers.

Finally, Tse provides sketchy descriptions of strikes at Fairchild factories in both Hong Kong and Korea. In general, those strikes have been successful, despite the numerous mechanisms of visible and invisible control by management.

PLESSEY

Plessey, the British-based electronics multinational, plans to invest US\$22 million to expand its semiconductor production over the next four years. (**Electronics News**, April 20, 1981). For background on Plessey, see the **Transnational Information Exchange**, No. 7/8, (published by the Transnational Institute, Paulus Potterstraat 20, 1071 D A Amsterdam, Holland). If you have information on the company, contact the authors of the T.I.E. profile, "118 Workshop," 118 Mansfield Road, Nottingham, ENGLAND.

TELEVIDEO'S HWANG

K.P. Hwang, a Korean immigrant to the U.S., has hit the paydirt in Silicon Valley. **Fortune** (May 18, 1981) reports that Hwang has grabbed a solid portion of the rapidly growing market for smart CRT (cathode ray tube) computer terminals. Though **Fortune** emphasizes Hwang's technical and business acumen, as well as his hard work and thrift, it mentions that he has been able to establish close connections with Korean electronics subcontractors. His company, TeleVideo, employs ninety assembly workers in Sunnyvale. Most, reports **Fortune**, are also Korean immigrants.

R.U.F.-PENANG

The Malaysian government has refused a petition by electronics workers at RUF, a German-owned radio factory in Penang, to join the Electrical Industry Workers Union. More than 600 of the firm's 850 employees signed, but the Labour Ministry re-affirmed its policy outlawing electronics workers' unions, warning that unionization might force foreign investors to leave Malaysia.

Workers are paid US\$3.00 per day, including a cost of living allowance. In September, 1980, RUF workers joined others at plants in the Bayan Lepas Free Trade Zone by striking for higher pay and benefits. Management refused to bargain, called in the riot police, and fired all of the strikers. Later it hired back most of its employees and made minor concessions. (*Network*, April 1, 1981; and *Voices*, March, 1981)

VLSI TECHNOLOGY INC.

Though established semiconductor firms like National, Intel, and Signetics are carrying out most of their expansion outside of Silicon Valley, the San Jose to Palo Alto area remains "the place" for new high technology firms. VLSI Technology, the new "silicon foundry," has disclosed plans to build, in cooperation with the International Business Park, a 47,000-square-foot building in northern San Jose. IBP will construct the \$5.5 million building, which it will lease to VLSI, and VLSI will invest \$20 million in equipment. Though San Jose is Silicon Valley's big city, where the largest number of production workers live, this will be the first semiconductor house to locate within its city limits. The company plans to initially employ 500 workers on the site early in 1982, and it plans to expand into a new building with a total of 2,000 employees within the next four years. (*San Jose Mercury*, May 5, 1981)

NATIONAL SEMI

Some people have a hard time believing that semiconductor production, at the forefront of modern technology, can be labor intensive - that is, committing a large proportion of capital to labor, as opposed to buildings and equipment. But National Semiconductor, ranked 307 by sales in the "Fortune 500" list of top U.S. industrial corporations, ranks 499th in the 500 when ranked by assets per employee. Listed by sales per employee, National ranks last. These rankings do not represent a poor track record, however. National is in the top ten (number 7) measured by its ten-year total return to investors. National has more than 40,000 employees, a majority of whom are low-wage assembly workers in Asia. (*Fortune*, May 4, 1981)

SINGAPORE SOFTWARE

Concluding that a shortage of professional employees is hampering the growth of Singapore's computer industry, the government has begun a multi-pronged program to train computer programmers. (*Electronics News*, February 2, 1981.) Given the shortage of programmers worldwide, however, it is possible that this would merely lead to a "brain drain," the export of qualified personnel to industrialized countries where salaries are generally higher.

HONG KONG EXPORTS

Hong Kong's Trade Development Council has released figures describing the colony's electronics exports in 1980. Exports to the U.S. (including re-exports) equalled US\$1 billion out of the colony's US\$2.5 billion total. LCD watches represented one quarter of the total, while electronics games exports rose to US\$160 million. Radios, including clock radios and radio-cassette players, totalled over US\$750 million. (*Electronics News*, March 23, 1981)

PAMPHLETS

In addition to this newsletter, PSC publishes numerous longer articles on the electronics industry. The following are available for US\$1.50 plus \$.50 for surface postage, each.

"Silicon Valley: Paradise or Paradox? The Impact of High Technology Industry on Santa Clara County," October, 1977

"Philippines: Workers in the Export Industry," November, 1978

"Changing Role of S.E. Asian Women," February, 1979

"Delicate Bonds: The Global Semiconductor Industry," January, 1981

SILICON SUPPLIERS

Electronics News (March 16, 1981), has published a listing of capitalist world producers of semiconductor-grade polysilicon. The following table shows their 1980 capacity, which totalled 3070 metric tons. In fact, industry usage totalled only 2775 metric tons.

company	metric tons
Wacker	900
Hemlock (Dow Corning)	700
Osaka Titanium	400
Texas Instruments	250
Smiel (Dynamit Nobel)	220
Monsanto	210
Shin-Etsu Handotai	160
Motorola	100
Great Western Silicon (GE)	100
Komatsu	30

A.V.X. TAKES RISKS

AVX, the Great Neck, New York-based manufacturer of ceramic capacitors, has announced the formation of a research and development subsidiary in Jerusalem, supported by Israeli government subsidies. AVX is apparently used to operating in dangerous environments. It currently manufactures in El Salvador and Northern Ireland! It is also building a plant in Japan. (**Electronics News**, April 13, 1981.)

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