

# The underside of high tech

*Silicon Valley immigrant workers fight sweatshop conditions*

By DAVID BACON

**S**UNNYVALE, CALIF. — One of the key symbols of the last presidential campaign was the image of candidate Clinton and a gaggle of Silicon Valley executives beaming at each other.

The new administration has made the Silicon Valley electronics industry a centerpiece of its economic strategy. One of the industry's bosses, intellectualist Laura Tyson, will head the Council of Economic Advisors. And most of the Northern California participants in Clinton's Little Rock economic summit in December were executives of high-tech electronics or biotech firms, who argued that their industries are models for the development of a high-wage, competitive U.S. economy.

But following the summit, on Dec. 19, immigrant workers from three high-tech electronics companies marched through crowds of holiday shoppers in downtown San Jose, noisily protesting their low pay and hazardous working conditions.

Among the demonstrators were workers at Versatronex, a contract assembly plant in Sunnyvale, who had just ended a six-week strike, the first by any production workers in the valley. They went back to work Dec. 1; on Christmas Eve, the company announced it would close the plant permanently by the end of February.

"It's a little sad, but we said at the beginning that if the company was going to close, let them close," said Sandra Gomez, who lost her job at the end of the strike. "But as long as the plant was open, we were going to fight for our rights."

Originally from a small town outside Guadalajara, Gomez now lives with her brothers in San Jose, and worked at the plant with three cousins. Almost all Versatronex workers are immigrants from Mexico, and most are women. Her job assembling circuit boards at the Sunnyvale factory was her first after she came to the U.S., and she worked there for almost five years.

"I went to every meeting before the strike started," she remembers. "But I was kind of young, and I didn't know what to expect. Even though I

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spoke on television after the strike started, I wasn't sure I was doing the right thing. But I earned a lot in these first days, and now I feel very strongly that we have to stand up for ourselves. I thought, even if we lose our jobs here, we will keep on fighting for our rights wherever we work."

The Versatronex workers were joined in the holiday demonstration by employees of another contract assembly plant, USM Inc. — which shut down last year owing two months' pay to its mostly Korean immigrant work force — and by Mexican American pinnoles at the large south San Jose plant owned by Liton Industries, who lost their jobs when Liton switched to a nonunion janitorial service that paid lower wages.

The Cleaning Up Silicon Valley Coalition, which includes local unions, churches, and community organizations, organized the demonstration to draw attention to problems long associated with the sweatshops in other industries, but masked by the high-tech public image the electronics industry projects. The number of more-stable and better-paying production jobs in the valley's large plants is shrinking, as contractors like Versatronex compete by paying low wages to a largely immigrant work force.

Lenny Siegel, director of the Pacific Studies Center, an industry watchdog organization in Mountain View, says that "there's a pretty clear trend over the long term" toward increasing employment in contract assembly plants in the U.S. computer industry. "Major companies like Sun and Tandem have contracted out most of their production," Siegel says, "and rely on companies like Soketron [another contracting company]. This leads to deteriorating conditions for assemblers, since contract assemblers certainly don't pay what a company like IBM does." Siegel notes that Tandem just sold its state-of-the-art assembly plant in Warrentonville to SCL, a contract assembly company, and IBM sold assembly plants in Charlotte, N.C., and Bordeaux, France, to Soketron.

## HIGH-TECH SWEATSHOP

Like the garment-industry contracting shops that traditionally employ immigrants, the high-tech contractors pay low wages. At Versatronex, the starting wage was minimum wage.



Photo: [unreadable]

Versatronex employee Nicasia Amaya at San Jose's Digital Microwave Corp. on Nov. 18, 1992, the second day of the employees' four-day hunger strike.

\$4.25 an hour, and employees with more than 15 years in the company earned as little as \$7.25 per hour. There was no medical insurance.

Also typical of low-wage contracting companies, workers were concerned about health conditions in the plant.

Sergio Mendoza worked in the "coil room," making electrical coils for IBM computers for seven years. The work involved dipping the coils in caustical baths and drying them off in ovens. "They never told us the names or the dangers of the chemicals we worked with," he recalls. "Sometimes the vapors were so strong that our noses would begin to bleed."

Women who cleaned parts with solvents had deep cracks in the skin on the end of their fingers. The company filed declarations with the Bay Area Air Quality Management District, stating that it discharged 3,400 pounds of ethylene dichloride, a known carcinogen, into the atmosphere in 1991. Nevertheless, Versatronex workers allege that there was no ventilation system or scrubbers for discharges within or outside the plant.

Versatronex managers have refused to talk to the press since the strike started, but Pete DeBrosco, Versatronex president, wrote a letter to the San Jose Mercury News in which he declared that "Versatronex prides itself on maintaining a safe and clean working environment" and that the company "has made the safety of its employees its highest priority." He alleged that the company used only water to clean its circuit boards.

Workers at Versatronex called in the union after they had already organized themselves to protest their conditions, and as they were preparing to stop work to demand changes. When the company heard rumors of the

stoppage, they held a meeting to lead off the planned action. One of the workers active in the organizing effort, Joseito Muñoz, stood up in the meeting and declared to company supervisors, "Se acaba el tiempo de esclavitud" ("The time of slavery is over"). Muñoz was fired two days later, and Versatronex workers went on strike on Oct. 16 to win his job back.

For four days during the six-week Versatronex strike, 10 women held a hunger strike outside the glittering San Jose offices of Digital Microwave Corp. (DMC), a manufacturer of equipment for telecommunications networks, which, along with IBM and other major companies, contracts work out to Versatronex. DMC had total sales last year of \$196 million, with sales offices in six countries. Its meteoric rise from a startup in 1984 contributes to the Silicon Valley's reputation for phenomenal growth. Yet last year it closed its own manufacturing facility in Scotland, while it became one of the main sources of work for the Versatronex plant.

The Versatronex strikers at the DMC office fasted to dramatize their effort to hold DMC responsible for working conditions in the plants with which it contracts. (Their effort parallels the current campaign by San Francisco garment workers in a shop that contracted with Jessica McClintock. They're demanding that the manufacturer pay the back wages the now-closed contractor owes them.)

Male strikers supported the female hunger strikers by setting up tents and living for four days and nights on the sidewalk outside DMC's front door. Word of their action spread like an electric current through the valley's Mexican American and immigrant

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Under the malevolent stare of plant manager Bob Marón (at right), Versatronex employees enter the plant Dec. 1, 1992, at the end of their six-week strike.

## HIGH TECH

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communities.

"We went on a hunger strike against Digital Microwave Corporation because they send work to Versatronex and then they close their eyes to the conditions we work in," explained hunger striker Margarita Aguilera. "And after our strike started, DMC sent even more work into the Versatronex plant."

At the end of the fast, DMC made public a letter written to Versatronex management. It told Versatronex that, although it didn't intend to intervene in the labor dispute, "you should be aware that we are actively seeking alternative suppliers to fill our needs. If we find such suppliers, it may well be that we will transfer our needs to those resources on a permanent basis."

The hunger strike is a tactic drawn from the Mexican union movement, according to Maria Panaja, an organizer for the United Electrical Workers. The U.E. is the union that Versatronex workers called on for help. Its militant industrial union with a 20-year history of organizing activity in Silicon Valley, "it is not uncommon for workers in Mexico to fast and set up pickets — tent encampments where workers live for the strike's duration," Panaja said. "Even striking over the firing of another worker is a reflection of their culture of mutual support, which they bring with them when they come to this country." Their culture is a source of strength to them, and for our union as well.

Versatronex workers voted Nov. 25 to end their strike, after the National Labor Relations Board (NLRB) issued a formal complaint, the equivalent of an indictment, against the company for firing Muñoz. The day after they went back to work, workers filed a petition with the NLRB for a union election at the plant. Then, as the union and the company were negotiating over arrangements for the election and accusations of retaliation against strikers, the company

announced that it would close the factory permanently.

## SPARKS OF PROTEST

Despite the announcement, workers from Versatronex, USM, and Linnon have continued to organize protests over lost jobs and declining conditions in contracting shops. The three groups joined forces because they are all immigrants and are all employed by contractors who do business with the area's large companies.

USM workers are mostly Korean immigrants who lost their jobs — and two months' wages — a year ago when the owner suddenly closed the factory's doors. Since then, USM workers, supported by San Jose's

Korean Resource Center, have organized protests against Silicon Valley Bank, which they hold liable for their lost wages because the bank took control of USM's assets. USM workers have asked the U.S. Department of Labor to involve federal regulations that would allow it to embargo the circuit boards produced during the two months in which workers weren't paid.

Linnon janitors, also immigrants, are mostly Mexican. They worked for a union janitorial contractor, and some had worked in the Linnon buildings for more than 10 years. Linnon

## SERGIO MENDOZA

Versatronex employee

brought in a new, non-union contractor, who employed a new work force at lower wages and conditions.

The janitors, represented by Service Employees Local 1877, are part of the same immigrant work force employed on the production lines in the electronics plants. A year ago, Local 1877 made an important organizing breakthrough when it forced Apple Computer, and later Hewlett-Packard Corp., to sign agreements using union janitorial contractors. Those agreements came as a result of a long campaign to tie the two corpo-



Photo by Frank Brown

Community activists from the Korean Resource Center joined with other immigrant workers for a Dec. 19, 1992, march in downtown San Jose.

ration's public images to the poor wages and conditions of the janitors who clean their buildings. That campaign was also spearheaded by the Cleaning Up Silicon Valley Coalition.

Korean Resource Center spokesperson Eunshik Eom points out that the problems of workers at Versatronex, USM and Linnon stem from the same contractor/subcontractor relationship, in which large companies control the work, and contractors compete for it by minimizing low wages and benefits in their assembly plants. "USM, Versatronex and Linnon workers have a lot to gain by supporting each other, since their problems come from the same source," he explained.

In the middle of the Versatronex strike, National Semiconductor, one of Silicon Valley's largest employers, announced that it would close its last remaining mass-production wafer-fabrication line within a year. This move, which would eliminate the jobs of hundreds of workers, is part of an overall plan by National to move its main production of integrated circuits to plants in other parts of the country, and to convert its Silicon Valley facilities to research and development. Other electronics companies in Silicon Valley are also implementing the same strategy.

For workers on the "fab" lines, however, this move also eliminates stable jobs that pay well above minimum wage. As the mostly Filipino fab workers lose jobs at National, they may well be absorbed by the growing number of sweatshops operated by Silicon Valley contractors. One National worker, who stopped by the Versatronex workers' picket line, explained that unemployment would eventually force them to consider taking these jobs at low wages and conditions. "I'm sure we'll resist

at first," explained Ronnie Marón, "but after trying to pay out bills on unemployment benefits, we'll have no choice."

Current trends in the computer industry are polarizing its work force between highly paid engineers and managers, and production workers in insecure and increasingly less-attractive jobs. The pursuit of competitiveness — of greater flexibility in production and lower labor costs — is leading to an increase in contracted production and indirect employment. But while flexibility and competitiveness increase the bottom line for the industry's giants, they often do so at the expense of those on the bottom.

The activism of the past several years marks an important beginning for workers in Silicon Valley electronics firms, but it's hard to predict what kind of movement will grow from these beginnings. The ability of large companies to shut down some plants and open others, to contract out and relocate work gives them a lot of leverage against union organizing.

In part, the future of Silicon Valley production workers depends on choices to be made by the new Clinton administration. Will it reverse the last decade's trend toward whittling away federal protections for the right of workers to organize? Will its support for manufacturing and industrial reinvestment include support for the rights and living standards of the industry's production workers? Or will its new industrial policy turn out to be a new kind of trickle-down economics? ●

To find out more about the activities of immigrant workers in Silicon Valley, and to get involved in supporting them, you can call the United Electrical Workers at (510) 534-0237, the Cleaning Up Silicon Valley Coalition at (408) 426-3542, the janitors' union, SEIU Local 1877 at (408) 452-8515, or Korean Resource Center at (408) 452-4527.