

## **Offshoring in the Semiconductor Industry: A Historical Perspective**

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Semiconductor design is one of the many white-collar job categories considered to be at risk from offshoring by U.S. companies via investments and outsourcing. Data about this activity are scarce and hard to interpret, but there is much to be learned from looking at earlier periods in the industry's history when other phases of the semiconductor value chain—assembly and fabrication—experienced rapid offshore expansion. This paper reviews the lessons from these earlier offshore movements of semiconductor industry jobs. Then it analyzes the current experience of the offshoring of semiconductor design based on our ongoing field research.

The experience of earlier periods supports the claim by some that offshoring is a reasonable response to the competitive challenges and opportunities facing the semiconductor industry, and that the industry will adapt in ways that are not necessarily clear from the outset. Nevertheless, there is evidence that some U.S. chip design engineers face at least short-term displacement as a result of the industry's current round of globalization.