

Immigrants link valley to global economy;
REPORT UNDERLINES FOREIGN CONNECTION

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Body

Silicon **Valley immigrants** play a significant role in building the **global economy**, according to a **report** being released today.

Local **immigrant** professionals maintain extensive ties to their homes, bringing business opportunities, technology and networks that **link** Silicon **Valley** to urban centers in countries like India, China and Taiwan, according to a study by the non-profit Public Policy Institute of California.

"This is very unique to Silicon **Valley**. You don't see this happening on a large scale across the U.S.," said AnnaLee Saxenian, the study's author and expert on **immigrant** entrepreneurship in the Bay Area. "Places that were peripheral not so long ago are now closely connected to the world center of technology here."

The study is based on a survey of 2,300 **immigrants** drawn from the memberships of 17 leading professional associations in Silicon **Valley**. The survey was conducted online. Nearly 90 percent of those who participated in the study were **immigrants** from India, China and Taiwan.

The study found:

- * Eighty-two percent of those surveyed said they share information about technology with colleagues in their native countries. And 80 percent pass along information about jobs and business opportunities in America.

- * Forty percent **reported** helping to arrange business contracts in their homelands. More than a quarter advised or consulted for companies there, while nearly 20 percent have invested their own money in start-ups or venture funds in their homelands.

- * Indian professionals cited the availability of skilled labor and the low cost of labor as major reasons for doing business in their native country, while Chinese **immigrants** said access to the market was the main reason for establishing business ties to China.

The findings debunk common perceptions about globalization, said Saxenian, who teaches regional **economic** development at University of California-Berkeley.

"When we talk about globalization, we think about multinational corporations not small start-ups," she said. "The flow of information of people and capital between Silicon **Valley** and these places is quite high."

Of the 600 entrepreneurs in the survey, half have set up subsidiaries, joint ventures, sub-contracting or other business operations in their homelands.

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For venture capitalists like Mark Stevens at Sequoia Capital, U.S. start-ups that have business relationships in their home countries are attractive investments. "They'll use their alumni relationships as a recruiting pipeline and set-up subsidiaries to take advantage of talent," said Stevens, a general partner. "And it's much cheaper."

The transnational business networks also have supplied Sequoia with investment opportunities. "We're actually now financing some young relatives or friends of folks we financed five years ago," he said.

Jessie Singh, an immigrant from Punjab, India, is finally achieving his dream of doing business in his home country. Singh came to the United States in 1986 and now runs a Milpitas tech company, BJS Group. He recently acquired a fiber optics company and plans to build a manufacturing facility in Haryana, India, and to hire 100 local residents.

Singh is vying to be the first manufacturer of fiber optical switches in India. Singh thinks his background will give him an edge in India.

"You understand the local language, their customs and behaviors," said Singh. "You have connections, family and friends. You understand how the system works. You have a little more power."

Singh last year arranged for the states of Punjab and California to be "sister states" to pave the way for more trade between them. He's currently working on an agreement between San Jose State University and Punjab Agriculture University to create an international business program at the Punjabi school modeled on the SJSU curriculum.

"We grew up there. We know what it's like to have limited resources," said Singh. "Here the opportunities are limitless. That's what I'm trying to create on some level in India."

The study by the Public Policy Institute also found that three of four Indian and Chinese immigrant professionals would consider starting businesses in their native countries in the future.

Despite political tensions, nearly a third reported meeting with their home country's government officials, even in China. Bobby Chao, an entrepreneur who immigrated from Taiwan nearly 30 years ago, is a board director of Monte Jade, a business networking association founded by Taiwanese immigrants in Silicon Valley. This weekend, he's leading the first Monte Jade delegation to China.

The 30-person group, half of whom are Taiwanese-American immigrants, will visit many of the largest corporate titans in China. They'll also meet with Chinese officials to talk about importing U.S. entrepreneurship, investment and technology into China.

"You have to go beyond the political platform," said Chao, who is also chairman of DragonVenture, a Palo-Alto venture capital firm looking to invest \$60 million over the next five years in Chinese companies. "The political platform is always there. You can't ignore it, but people close an eye (to politics) when we talk about business and economic relationships."

The business ties that immigrants establish between Silicon Valley and their homelands not only stimulate economic changes, but also might help cultivate a new generation of entrepreneurs.

"Because information travels so quickly, people in India are very aware of the successes of Indians here," said Saxenian. "There's a tremendous amount of confidence in India that it can be involved in the world economy in a very successful way. In rural areas, young people now want to work with computers and be a part of the information technology industry."

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