



Letter From Silicon Valley

## **Silicon Valley's Immigration Problem**

Elizabeth Corcoran, 03.05.07, 6:00 AM ET

If you could choose between starting a high-tech career in India or the U.S., which would you pick?

Indian immigrant Rosen Sharma opted for the U.S. in 1993 and has done extraordinarily well here. But if he were just coming out of college these days, he says, he would pick India. The business opportunities are better, he says, and quality of life issues are at least as good: Nice housing? Schools? Safe streets? The chance to feel prosperous on a young engineer's salary? India is holding its own just fine against the U.S., he believes.

Sharma's answer is unnerving. A big part of the U.S. tech boom over the past 20 years has come from our ability to pull in the best and the brightest from India, Taiwan and other Asian countries, year after year. We've taken it for granted that these talented immigrants want to come here and that they will help the next generation of American start-ups achieve greatness.

But Sharma's perspective demands our attention.

In 1993, he says, after graduating with flying colors from the Indian Institute of Technology in Delhi, Sharma headed straight for the U.S. So did most of his classmates. Of the 40 people in Sharma's graduating class at IIT Delhi, he says, all but three came to the U.S.

It was a smart move for him and a great deal for the U.S. Sharma earned a Ph.D. from Cornell University and has since started more than a half-dozen companies--building products, generating revenue, rewarding investors and creating jobs. Now he sits on five company boards and runs his own start-up, SolidCore Systems, in Palo Alto, Calif.

The U.S. is home to Sharma now. He's applied for U.S. citizenship. He's raising his children here. He wants the U.S. to be an engine of innovation, for U.S. companies to build sought-after products and to generate good returns for workers and shareholders.

But Sharma, who is president of the IIT Delhi Alumni Association, says the next generation of Indian engineers are unlikely to feel the way he does: Last year, only 10 of the 45 IIT graduates who went through the same program Sharma did decided to pursue jobs in the U.S., he says.

If this represents a trend, it will have significant consequences for the U.S. AnnaLee Saxenian, now dean of the School of Information at the University of California, Berkeley, has devoted years to tracking the impact of immigrant entrepreneurs. Along with researchers at Duke University, she reported in January that foreign-born immigrants helped start one of every four U.S. technology start-ups over the past decade. Together, those companies employed 450,000 people and generated \$52 billion in sales in 2005, according to the study.

As America staggers toward the next national election, we'll hear plenty of slogans about making the U.S. "more competitive." Candidates will debate tax policies and vow to fix our public schools. Chances are you won't hear them talking about making the U.S. more receptive to ambitious graduates from overseas. But they should.

But take another look at my first question: It doesn't just apply to foreign nationals. If you're a bright young person born in the U.S., where should you begin your career? In this country or abroad?

"Overseas," asserts Sharma--but this time, for positive reasons. In order for U.S. companies to be competitive, to serve the largest number of customers and build the most suitable products for customers all over the globe, they will need executives who have broad global experience.

Students are already sensing this trend: Several months ago, when I spoke to business school students touring Silicon Valley about job prospects, many said they were actively considering international opportunities, too.

It sounds like a contradiction--that the U.S. should continue to try to woo the best and the brightest from overseas even as homegrown emerging stars seek their fortunes outside our borders. But in a world where competition is truly global, that kind of exchange program makes sense--particularly if those Americans eventually return home and help build stronger companies.