

## Tech leaders, immigrants want change Drive to let companies hire more foreign-born workers

Jessica Guynn, Chronicle Staff Writer

Wednesday, November 15, 2006

The high-tech industry is touting a new study that showcases the economic contributions of talented immigrants as part of an orchestrated campaign to alter the nation's immigration laws to expand the number of highly skilled, foreign-born professionals allowed to work here.

Making the case that high-tech immigration creates greater economic opportunity for Americans, the National Venture Capital Association plans to release a study today that concludes that immigrants had a hand in starting 1 in 5 venture-backed public companies in the United States during the past 15 years. These companies have created thousands of jobs and have a combined market capitalization of \$500 billion, the study found.

In high tech, the numbers are even more impressive: Forty percent of venture-backed public companies, including Intel Corp., Google Inc., Yahoo Inc., Sun Microsystems Inc. and eBay Inc., claim at least one foreign-born founder. Foreign-born entrepreneurs are behind nearly half of venture-backed startups, the study also found. Not surprisingly, California, with its top engineering schools and high-powered cluster of investors and entrepreneurs, outranks all other states in percentage of companies founded by at least one immigrant.

The study also coincides with the technology lobbying group TechNet's Annual Innovation Summit taking place today at Stanford University. Expanding the number of immigrants able to work for or start high-tech companies in the United States will top the agenda.

[Printable Version](#)

[Email This Article](#)

### Business & Finance

Get Quote:

Detailed

Submit

[Symbol Lookup](#)

■ [Main Business & Finance Page](#): Stock quotes, portfolio, funds and more...

■ [Small Business Center](#): A new resource for small businesses. Get expert advice, forms and more.

■ [SFGate Technology](#): It's a high-tech world - - we just plug you into it...

### ChronicleJobs TOP JOBS

#### ADVERTISERS

#### GOVERNMENT

Corrections & Rehab  
Dept

[Department of  
Corrections](#)

#### GOVERNMENT

Contract Officer; Bus  
Opr. SamTrans

[SamTrans](#)

#### GOVERNMENT

Technician Support

[Marin Municipal Water  
District](#)

#### HAIR

STYLIST / Salon  
Assistant REGIS

#### HEALTHCARE

Healthcare

[Mission College](#)

#### HEALTHCARE

Several Positions  
Available

[Lucile Packard Children's  
Hospital](#)

#### HEALTHCARE

Several Positions  
Available

[Professional Healthcare  
at Home](#)

#### HEALTHCARE

Several Positions  
Available

[Community Hospital of  
Monterey](#)

#### HEALTHCARE

NURSING

[San Joaquin Delta  
College](#)

#### HEALTHCARE

HealthCare Multiple  
Positions

[Sutter Health](#)

#### HEALTHCARE

Several Positions  
Available

[Professional Healthcare  
at Home](#)

Critics say the study is just another political maneuver in the industry's long-running campaign to swing open the nation's gates to more young foreign-born talent willing to work longer hours for less pay, an influx that would harm American workers, particularly older ones, and depress wages. They dispute the study's methods and its conclusion that immigrant workers drive the high-tech economy, saying the rate of entrepreneurship among immigrants is no higher -- and, in fact, may be lower -- than among engineers born in the United States. They also contend that the study's author, Stuart Anderson, executive director of the National Foundation for American Policy, is a veteran of conservative think tanks who runs an organization that claims to be a nonpartisan public policy research outfit but is instead an industry front group.

"They are pulling out all the stops, and that study is one of the stops," said UC Davis computer science Professor Norman Matloff, a longtime H-1B visa critic. "The conclusion of that study was foregone. They knew what they were going to come up with before they started."

For decades, Silicon Valley has attracted engineers, computer programmers and other highly skilled professionals from around the globe, but in recent years the high-tech industry has complained that it is suffering from a national brain drain, leading to a divisive debate from Silicon Valley to Washington. The country's largest technology companies and most-prestigious research institutions intensified their lobbying efforts this year for permission to hire more overseas talent. Microsoft Corp. Chairman Bill Gates even made a rare appearance on Capitol Hill.

Companies say they cannot find enough U.S.-born engineers, computer scientists and other skilled professionals to fill openings -- a contention that critics strongly dispute. Each year, the United States issues 65,000 H-1B visas that allow foreign professionals to work here for three to six years. In 2001 and 2002, that number rose to nearly 200,000. A Senate bill would have nearly doubled the H-1B quota to 115,000 a year and would have helped clear a huge backlog of applications for permanent residency, but it was derailed by a partisan stalemate over border security and illegal immigration.

Mark Heeson, president of the National Venture Capital Association, says his organization is pushing the lame-duck Congress to green-light the so-called Skill Bill as a separate measure. His organization is seeking to raise the number of visas and exempt from the cap the nearly 600,000 foreign-born students in the United States. Cutting down the wait of five years or more for green-card holders is also a priority, he said.

Even if those last-minute lobbying efforts fail, pundits say the political winds have shifted dramatically in high-tech's favor. The 110th Congress may be the friendlier to the interests of the technology industry with Nancy Pelosi, the presumptive new speaker of the House, unveiling an "innovation" agenda after meeting with venture capitalists and entrepreneurs one year ago.

"We are cautiously optimistic that the likelihood has increased that these issues will be resolved moving forward," said Aman

#### [HEALTHCARE](#)

Several Positions  
Available  
[Sutter Health](#)

#### [HEALTHCARE](#)

Several Positions  
Available  
[Alta Bates Summit](#)

#### [HEALTHCARE](#)

Multiple Positions St.  
Rose Hospital  
[ST. Rose Hospital](#)

#### [HUMAN RESOURCES](#)

Administration  
[Superior Court of Calif.  
County of Sacramento](#)

[About Top Jobs](#)  
[View All Top Jobs](#)  
[Go to Chronicle Jobs](#)

Kapoor, founder and president of Immigration Voice, a grassroots organization of thousands of foreign-born professionals lobbying for changes in the immigration system on Capitol Hill.

Researchers may not be able to place a dollar figure on the economic losses from stemming the tide of skilled professionals, but the cost to American innovation is high as would-be entrepreneurs in such vital areas as high-tech and stem-cell research, frustrated by red tape and long waits, start their companies elsewhere, Kapoor contends.

Matloff disagrees. "Innovation has been the code word. The idea is that we are falling behind other countries," he said. "They say, 'Look at what's happening. They are going to surpass us. The only way to survive is through innovation. We can't do it but the H-1B visas will innovate for us.' All of that is total baloney."

*E-mail Jessica Guynn at [jguynn@sfgate.com](mailto:jguynn@sfgate.com).*

**Page D - 1**



[Get up to 50% off home delivery of the Chronicle for 12 weeks!](#)

[Back To Top](#)

San Francisco Chronicle Sections

Go

[©2006 San Francisco Chronicle](#) | [Privacy Policy](#) | [Feedback](#) | [RSS Feeds](#) | [FAQ](#) | [Site Index](#) | [Contact](#)