

Indians outpace others in founding US tech firms

Indians have founded more engineering and technology companies in the US in the past decade than immigrants from Britain, China, Taiwan and Japan combined. Of all immigrant-founded firms, 26 percent have Indian founders.

This emerges from a study of engineering and technology companies started in the US from 1995 to 2005. This study points out that while the US 'immigration debate' focuses on 'millions of unskilled immigrants who have entered the US illegally', it has 'overlooked hundreds of thousands of skilled immigrants who annually enter the country legally'.

Indian entrepreneurs were dispersed around the US, with sizable concentrations in California and New Jersey, found this study called 'America's New Immigrant Entrepreneur' undertaken by a team of student researchers at the North Carolina-based Duke University's Pratt School of Engineering.

Duke University, a private coeducational research university founded in 1838, has two undergraduate and eight graduate schools.

Significantly, almost 80 percent of immigrant-founded companies in the US were within just two industry fields: software and innovation or manufacturing-related services.

Immigrants were 'least likely' to start companies in defence, aerospace and the environmental industries. They were most highly represented as founders in the semiconductor, computer, communications and software fields.

Estimates from the researchers say the contribution of non-citizen immigrants to international patent applications increased from 7.3 percent in 1998 to 24.2 percent in 2006.

Indians formed the second-largest group of immigrant non-citizen inventors - after the Chinese, but before Canadians and British.

From 1999 till now, the percentage of firms with Indian or Chinese founders had increased from 24 percent to 28 percent. Indian immigrants out-paced their Chinese counterparts as founders of engineering and technology companies in Silicon Valley.

From 1980-1998, an earlier research project showed that some 17 percent of Silicon Valley start-ups were found to have a Chinese founder as against seven percent with an Indian founder.

However, from 1995 to 2005, Indians were key founders of 15.5 percent of all Silicon Valley start-ups. Immigrants from China and Taiwan were key founders with 12.8 percent.

Said the study: 'What is clear is that immigrants have become a significant driving force in the creation of new businesses and intellectual property in the US - and that their contributions have increased over the past decade.'

The study was undertaken by students in the Master of Engineering Management programme, led by executive-in-residence Vivek Wadhwa, research scholar Ben Rissing and sociology professor Gary Gereffi.

Ramakrishnan Balasubramanian, of the Masters of Engineering Management programme at Duke's and part of the research team, said that among the surprises was the 'fact that Indians are way ahead of the Chinese in terms of the number of companies in the Silicon Valley and Bay area'.

But, he noted, while Indians are the leading entrepreneurs, the Chinese have always been leading in patents filed.

'While the Chinese seem to be filing more patents, they don't seem to be founding as many companies,' Balasubramanian told IANS.

He pointed to UC Berkeley dean AnnaLee Saxenien's 1999 research that outlined the economic contribution in terms of revenue generated and jobs created, as well as the intellectual contribution of immigrants.

'There are papers that echo similar views. In 2005, World Bank development economics group lead economist Aaditya Mattoo said foreign students, skilled immigrants, and doctorates in science and engineering play a major role in driving scientific innovation in the US,' Balasubramanian said.

Wadhwa said the implications for India were also to raise a crucial question: if educated Indians can achieve so much success here (in the US), why not in India?

'From an Indian perspective, this study shows what Indians can achieve when they are unshackled from government bureaucracy and provided the means to succeed,' he added.

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