

THE CHINESE IN SILICON VALLEY

**GLOBALIZATION, SOCIAL
NETWORKS, AND ETHNIC IDENTITY**

BERNARD P. WONG

The Chinese in Silicon Valley

Globalization, Social Networks,
and Ethnic Identity

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ROWMAN & LITTLEFIELD PUBLISHERS, INC.
Lanham • Boulder • New York • Toronto • Oxford

ROWMAN & LITTLEFIELD PUBLISHERS, INC.

Published in the United States of America
by Rowman & Littlefield Publishers, Inc.

A wholly owned subsidiary of The Rowman & Littlefield Publishing Group, Inc.
4501 Forbes Boulevard, Suite 200, Lanham, Maryland 20706
www.rowmanlittlefield.com

P.O. Box 317, Oxford OX2 9RU, UK

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British Library Cataloguing in Publication Information Available

Library of Congress Cataloging-in-Publication Data

Wong, Bernard P.

The Chinese in Silicon Valley : globalization, social networks, and ethnic identity /
Bernard P. Wong.

p. cm. -- (Pacific Formations)

Includes bibliographical references and index.

ISBN 0-7425-3939-3 (cloth : alk. paper) -- ISBN 0-7425-3940-7 (pbk : alk. paper)

1. High technology industries--California--Santa Clara Valley (Santa Clara County)--
History. 2. Chinese--California--Santa Clara Valley (Santa Clara County)--History.
3. Chinese Americans--California--Santa Clara Valley (Santa Clara County)--Social
Conditions. I. Title. II. Series

HC107.C23 H538 2006

305.895'1079473--dc22

2005012638

Printed in the United States of America

 TM The paper used in this publication meets the minimum requirements of
American National Standard for Information Sciences—Permanence of Paper
for Printed Library Materials, ANSI/NISO Z39.48-1992.

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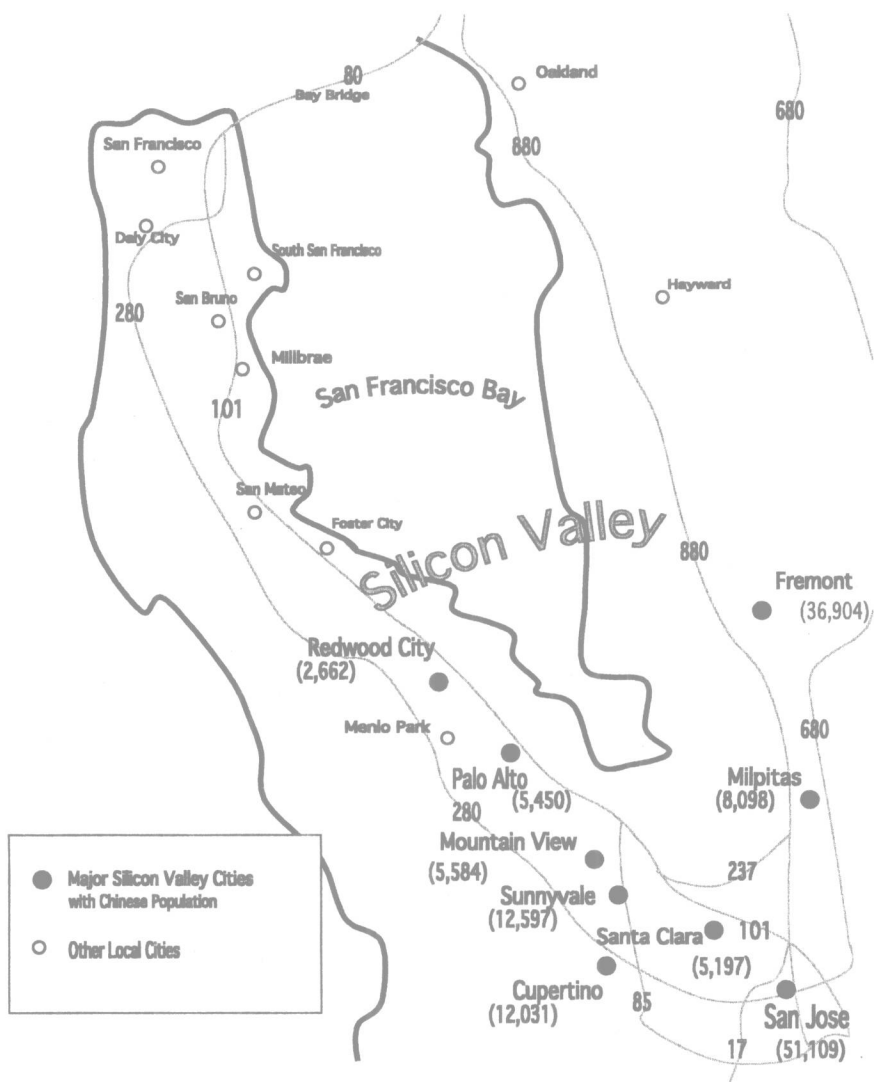
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Major Silicon Valley Cities (with Chinese populations indicated)

Source: U.S. Bureau of the Census, United States Census 2000.

Acknowledgments

I want to thank all those who assisted me with my fieldwork in Silicon Valley, my students and colleagues, friends and family, for without them the writing of this book would not have been possible; if I was to find the door open to my research, the social connections had to be there. I want to thank particularly Michael Chang, Connie Yu, Victor Lee, Aiwen Lee, Richard Duong, Tony Tsang, Chilling Yeh, Jean Lee, Wellington Cheng, Sheikie Tao, and LiAnne Yu. All provided valuable information about the high-tech community in Silicon Valley and also introduced me to other research contacts.

While doing my fieldwork I had the opportunity to meet a number of important entrepreneurs and experts in the high-tech industry. I therefore owe my profound academic debt to Dr. David Lam, Dr. Alex Leung, Dr. Chester Wang, Dr. Wufu Chen, Dr. Milton Chang, and Wayne Liu: each provided me with valuable insights and feedback.

Danfei Wang and Dr. William Yang generously gave their time and energy to help analyze the data. Charlen Fong and Nadine Selden of the *San Jose Mercury News* gave me their insightful comments on my initial research findings; and I am also grateful to Susan Squires and Gary Waymire who asked many probing questions and helped me to focus my initial research.

Finally, I would like to express my gratitude to Dr. Michael Siu who has helped me in a very special way, to Lynne Murata and Jesse Keyes who were of great help in editing the draft of the manuscript, and to Matthew Aaronson who designed the map for the book. Thanks, too, to Kärstin Painter and John Shanabrook for their expert editing and guidance of the manuscript through production.

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1

The Asian Century and the Rise of Globalization and Transnationalism

This work addresses the significance of the development of the newest Chinese community in the San Francisco Bay Area: the Chinese community of vibrant Silicon Valley. The Silicon Valley Chinese community is being developed out of the reinforcement and constraint of several factors: a growing global economy, burgeoning new technology, and the cultures, traditional or otherwise, of both newcomers and their host. The formation of the newcomers' identity and community is a result of globalization and transnationalism, and it involves the crossing of national borders, acquisition or nonacquisition of citizenship, and flexible accumulation of talent and capital. These newcomers, therefore, can no longer be seen as helpless victims of circumstance, burdened by their ethnic culture. Instead, they are agents and creators of a syncretic culture with hyphenated collective identities.

Many theories of global economic development and international migratory movement have lost their relevance. The World Systems theories of Immanuel Wallerstein (1974, 1980, 1990) focus only on the relationship between empires and their colonies. In a similar vein, Andre Frank (1967) anticipated the connections between Latin American and European colonizers. The linkages between colonies or former colonies and past or present colonial powers have understandably been the center of intellectual discourse for many years. However, major changes in Asia that include reconfigured societies, the emergence of Asian economic power as a hub of manpower, talent, and skill, and the development of Asia into a major center of consumption and manufacturing have only recently gained notice. This is of particular significance in U.S.-Asia/Pacific economic interactions. The burgeoning importance of the Asian sector can be seen when we note that large

air carriers have carried more transpacific than transatlantic passengers in recent years. And even when economic conditions in both the United States and Asia are sluggish (as they were in 2001), optimism for the future of Asia's contribution to the world economy is still strong. This is particularly true when China is included in the economic equation. Many economists believe that China has room to grow, and that its economy could climb annually in the range of 10–12 percent. Economists also believe that other areas of Asia such as Hong Kong (economically distinct from mainland China), Taiwan, and Korea have the potential for further growth.

The restructuring of the U.S. economy is closely linked with conditions in Asia and its people. Many of the high-tech manufacturing plants that serve the U.S. economy are situated in Asia, while highly educated Asian immigrants power many of the research and development offices in Silicon Valley. It is not difficult, therefore, for many scholars to believe that the twenty-first century will indeed be the "Asian Century," and furthermore, that the United States and Europe will come to depend on Asia and Asians in order to maintain their affluent lifestyles. In the globalization models of Wallerstein (1974, 1980, 1990) and Andre Frank (1967), the engine of global economy is powered by wealthy European nations. However, in the modern economy, the Asian contribution cannot be underestimated. Some popular writers like John Naisbitt (1995) and others even hypothesize an eventual Asian dominance of the world economy. The concept of "Asianization" has accordingly been used to highlight the cultural influence of Asians in the economy of the modern world. Among Asians, the Chinese, who have emphasized higher education for centuries, have been frequently depicted as important players in the U.S.-Asian economy (Kotkin 1993; Weidenbaum and Hughes 1996; Seagrave 1995). In Silicon Valley, Asian Indians and the Chinese have been recognized as a driving force behind the valley's high-tech industry. Together with the Indians and Chinese, Pakistanis, Vietnamese, Malaysians, and other Asian groups constitute additionally an important segment of the population of the San Francisco Bay Area.

THE ASIAN WORKFORCE IN SILICON VALLEY

California has undergone a major shift in its population composition in the past ten years, reflecting the rise of Asian influence in the Golden State. Though statistically still the largest racial group, whites are no longer in the majority. The U.S. Census of 2000 indicated a significant dip in the white population to less than 50 percent of California's total population of 33,871,648. In contrast, there has been a noticeable surge in California's Latino and Asian populations (see table 1.1), and Asians now account for 11 percent of all Californians.

Table 1.1. Percentage of Ethnic Population in California: 1990/2000

White	1990:	17,029,126	57.2%	2000:	15,816,790	46.7%
Hispanic	1990:	7,687,939	25.8%	2000:	10,966,556	32.4%
Asian	1990:	2,613,599	8%	2000:	3,648,860	10.8%
Black	1990:	2,092,446	7%	2000:	2,181,926	6.4%

Source: U.S. Bureau of the Census, United States Census 2000; *San Francisco Chronicle* March 30, 2001, A1.

In the San Francisco Bay Area there has been a corresponding increase in the Asian population in every county. However, the most significant increases of Asian population can be found in Silicon Valley. Here the high-tech boom has attracted many Asians. Chinese and Indians in particular form the largest racial group of the Silicon Valley non-white population. Cities in this area, Santa Clara, Fremont, San Ramon, Pleasanton, Milpitas, San Jose, and Menlo Park have all experienced tremendous growth due to the influx of Asian workers. Indeed, it is often said that the high-tech industry has been built by IC (Indians and Chinese). Their predominance is evident. While Asians overall make up 11 percent of the state's total population, in the nine counties of the Bay Area (Sonoma, Napa, Solano, Contra Costa, Marin, San Francisco, San Mateo, Santa Clara, and Alameda) they account for 19 percent of the total county population (see table 1.2). These nine counties have a total population of 6,783,760; of this number, 1.3 million are Asians (United States Census 2000; *San Francisco Chronicle* May 24, 2001, A1).

With the concentration of such a large Asian population in one area, there has developed a booming infrastructure of diverse Asian communities. Asian supermarkets, restaurants, and gift shops are plentiful. Among the Asians in the Bay Area, the Chinese are by far the largest group, with a population of

Table 1.2. Population of the Nine Counties of the San Francisco Bay Area

Alameda	1,443,741
Contra Costa	948,816
Marin	247,289
Napa	124,279
San Francisco	776,733
San Mateo	707,161
Santa Clara	1,682,585
Solano	394,542
Sonoma	458,614
Total Population of the Bay Area	6,783,760

Source: U.S. Bureau of the Census, United States Census 2000; *San Francisco Chronicle* April 9, 2001, A13.

468,736 (see table 1.3). This means that 48 percent of the Chinese population in California (980,642) lives specifically in the San Francisco Bay Area. While some of these work in ethnic businesses such as Chinese restaurants, grocery stores, and gift shops, others work as professionals, and still others work in the high-tech industry in Silicon Valley.

As previously noted, Asian Indians and the Chinese have become a significant labor force in the high-tech industry of the Bay Area. They are particularly visible in the residential neighborhoods of Union City, San Jose, Milpitas, Fremont, Santa Clara, Sunnyvale, and Cupertino (*San Francisco Chronicle* May 24, 2001, A1; August 10, 2001, A21). The profile of these Asian residents is that of the high-tech worker: many are the computer scientists, engineers, software specialists, or business managers who have been recognized as an important driving force behind the Silicon Valley phenomenon. According to Ana Lee Saxenian (1999), 29 percent of Silicon Valley startups during the period from 1995 to 1998 were run by Chinese or Indian migrants. In 1998 these two ethnic groups headed 2,775 Silicon Valley high-tech firms, employing 58,000 people. Thus, Asians constitute an important segment of the white-collar as well as the blue-collar labor force. According to Ken McLaughlin and Ariana Eunjung Cha of the *San Jose Mercury News* (April 16, 1999), the white-collar force is comprised of about 60 percent white and 31 percent Asian workers. Among the blue-collar workers and technicians, the workforce is about 57 percent Asian, 21 percent white, 18 percent Latino, and 4 percent black. Thus, in both white-collar and blue-collar high-tech employment, Asians play an important role. In high-tech companies, however, there are proportionally more whites than Asians among the ranks of CEOs. A *San Jose Mercury News* survey of Silicon Valley's top public companies indicates the same disproportion: of the top 150 public companies, 89 percent of the chairmen and CEOs of those companies were white, 10 percent were Asian, and 0.6 percent were black (April 16, 1999).

Nationally in 2000, Chinese Americans numbered 2.43 million, representing the largest Asian group. San Francisco meanwhile still retains the title of having the largest Chinese population in California, with 152,620. In the rest

Table 1.3. Asian American Subgroups in the San Francisco Bay Area: 2000

Asian Indian	143,306
Chinese	468,736
Filipino	321,333
Japanese	74,505
Korean	56,724
Vietnamese	146,253
Other Asian	78,992

Source: U.S. Bureau of the Census, United States Census 2000; *San Francisco Chronicle* May 24, 2001, A6.

of the Bay Area, there are 316,116 Chinese, with many now residing in Silicon Valley. Among Chinese Americans, some are born locally while others are immigrants from Taiwan, Hong Kong, mainland China, and elsewhere. In terms of visa status, the Chinatown-connected Chinese tend to arrive as relatives of permanent residents or under the sponsorship of U.S. citizens through legal kin-related connections. In contrast, the high-tech Chinese tend to arrive in the United States as H-1B visa holders who are qualified to fill the United States' need for special talents and professional skills or expertise. (The holder of an H-1B visa is legally allowed to engage in temporary work or business.) According to the *Zhongguo Daily* (January 17, 2000), of the quota of 110,000 visas allotted in 2000, most of which were given to high-tech immigrants recruited by American corporations, Asian Indians occupied the first place among H-1B visa holders, those from mainland China ranked tenth, while Chinese from Taiwan ranked fifth. The Chinese and Indians have become the high-tech workhorses for the industries of the South Bay.

The success of these immigrants, as will be demonstrated herein, depended (and continues to depend) on many factors, opportunity of time and place being foremost. This group of Asians came at the right moment, and as engineers and technicians they filled an incessant demand for high-tech labor when the restructuring of the U.S. economy was creating an infant information technology (IT) industry. There were cultural factors as well. And in light of the success of these two Asian groups, immigrant culture can no longer be viewed as baggage to be packed, unpacked, and transplanted. Ties with the past and one's land of origin do not vanish. The predominant patterns of transnational migration allow recent immigrants to keep abreast of their social and cultural ties while traversing national and cultural borders. Furthermore, these traditional social ties can be utilized as important human and cultural resources that, aided by technology and other new economic assets, result in trans-Pacific social mobility and a parallel ability to establish roots in a new land.

As I focus on the role of Chinese immigrants in the development of the Silicon Valley high-tech industry and in the creation of a new immigrant community, I will address a number of interrelated questions:

1. What is the nature of the transnational Chinese community in Silicon Valley?
2. How do members of this community achieve their entrepreneurial success in the high-tech business sector, in the global economy in general, and in Silicon Valley in particular?
3. How have globalization, localization, and technological development influenced their social lives and cultural identities in this new land of opportunity?

4. What are the interaction patterns between the Chinese and the larger society?
5. What are the social costs of their transnational lifestyle?

The theoretical framework of this work is guided by a number of theories. The first are those theories related to the study of globalization (Wolf 1982; Hannerz and Lofgen 1994, 1979, 1996; Appadurai 1996; and Basch, Schiller, and Blanc 1994, just to cite a few). These authors correctly point out that the human community has been influenced by forces emanating from its own territorial confines. Eric Wolf (1982, 16) asks a rhetorical question: Has there ever been a time when human populations have existed in independence of larger encompassing relationships, unaffected by larger fields of force? Ulf Hannerz argues that there has been an increase in the interconnectedness of world communities, by which he cautions that the local could be influenced by the global (1996, 19). Arjun Appadurai goes as far as to say that globalization has changed the world and created disjunctures between economy, culture, and politics (1996, 33); while Basch, Schiller, and Blanc suggest that economic activities, ethnic and social relations, technological change, and national development have to be analyzed from a global perspective (1994). In the study of the Chinese diaspora, this global perspective is particularly relevant. Adam McKeown (2001), Bernard Wong (1997), and a host of other authors have indicated that migration and ethnic relations will not be understood properly until they have been analyzed from such a perspective. Nation-based ethnographies and analyses, it is suggested, obscure the dynamic aspects of human activities, because immigrants do not pack up their native culture and disappear into another. The former model of immigrants shedding their traditions, values, and cultural traits and assuming the values, institutions, and social interactions of a dominant culture is no longer realistic. As will be demonstrated in this study, that model of assimilation (Gordon 1964) does not fit social reality. Though it was this assimilation model that inspired the discourse of the melting pot of America, many social scientists have lately found this kind of unscientific assertion to be the farthest from the truth. Researchers on different American ethnic groups, from Polish Americans and Norwegian Americans to Greek Americans, continue to find the persistence of ethnic cultures in America, even after a hundred years of so-called melting.

Nor is it appropriate to assume that ethnic groups are merely an extension of the old world cultures from which they derived, as though nationality groups in the United States are merely copies of their old national cultures. People are dynamic, and they interact with new social and economic environments. Thus the tradition of nation-based ethnicity research is off-target. As social actors, transnational migrants often act under the reinforcement and restraint of both the new and the old countries. These are some of the extraterritorial factors of ethnic identity. Social ties between transnational mi-

grants and their home cultures, for instance, continue. Similarly, diasporic communities are formed with local as well as external input (B. Wong 1986). The transnationals of our time are known for their frequent travel across national and cultural boundaries, and for maintenance of multi-stranded social ties with members of their former and new communities. Furthermore, the global circulation of skill, labor, technology, and financial resources is characteristic of the new communities formed by these transnationals (Basch, Schiller, and Blanc 1994; Sassen 1996a, 1996b). Since the modern economy is a global economy, parts of a product may be assembled in one nation by using skills and materials from many other nations. Similarly, the movement of people, ideas, talent, and technology is often associated with this global economy. Appadurai (1996) and others have convinced us that we do live in an interconnected world. This is particularly the case in the study of Chinese transnational migrants in Silicon Valley. Hence an approach that integrates localized research with knowledge of the globalization activities of the transnational migration will probably yield a more complete understanding of the internal linkages in the community, and of the global connections between the Chinese diaspora and the outside world. Since the 1980s, transnationalism as a way of life has been noticed by journalists as well as scholars, as transnationals have navigated between localities, countries, and continents in search of a better life. Many immigration scholars of Chinese communities have characterized transnationals as the people of an ungrounded empire (Ong 1999; Ong and Nonini 1996). But not all transnationals are noncommittal toward their national state. While it is true that opportunistic multiple-passport holders or “flexible” citizens do exist, it is difficult without empirical data to generalize this to all transnationals. As this study will show, for example, one cannot underestimate the motivation and commitment of the new transnationals in Silicon Valley. Circulation and navigation are not ends in themselves. They are merely the means transnationals use to achieve their final goal: establishing roots in a desirable land. For these reasons, data from Silicon Valley indicate that transnational activities and global strategies need to be integrated with local community information in order to achieve a comprehensive understanding of the actors and players of the social script.

The second group of theoretical components from which the framework of this work is built comprises those concepts derived from the study of social networks in a global context (Portes 1996, 1997; Portes, Castells, and Benton 1991; Castells 1996b; Marcus 1998; Kotkin 1993; Ju 1996; B. Wong 1988, 1998a, 2001b, 2001c).

Chinese transnationals, as will be demonstrated in this work, are not fleeting strangers. They are here because of existing ties, and many have cross-boundary ethnic networks and connections with both their homeland and local community. Among the connectors or nodes in the net are family members, kinsmen, friends, colleagues, and alumni. These individuals are deeply