To Thrive, Silicon Valley Must Get Real on Immigration

By JEREMY CARL

Outside Google headquarters in Mountain View, Calif. (Dreamstime photo: Bennymarty)

The Valley can do a deal with President-elect Trump, but not if tech leaders cling to their empirically unsupported views on immigration.

As leading Silicon Valley CEOs prepare to meet with Donald Trump in New York today, they are undoubtedly apprehensive. The Valley waged all-out war against Trump during the campaign, with 140 Valley leaders denouncing Trump and with Clinton receiving a staggering 60 times more Silicon Valley money than Trump did. By many measures, the Valley was the most Democratic territory in the country.

The primary (though not sole) driver of Silicon Valley's distaste for Trump was his immigration policy. Legendary software engineer and venture capitalist Marc Andreessen, someone who has supported both Democrats and Republicans, captured the Valley consensus:

"The Valley wouldn't be here, we wouldn't be doing any of this if we didn't have the amazing flow of immigrants that we've had in the last 80 years. And the idea of choking that off just makes me sick to my stomach."

I couldn't agree more with Andreessen about the importance of recruiting talented immigrants to the Valley, and yet, I've been a strong proponent of many of Trump's immigration proposals, and am an ally and supporter of many of those who will be helping to set immigration policy in a Trump administration. It's time for the Valley elite to stop playing politically correct games and get real on immigration.

There is no disconnect between the likely priorities of a Trump administration on immigration and Andreessen's desire to make sure that Silicon Valley can continue to attract the best and brightest from all over the world. There is, however, a profound disconnect between the posturing of Valley leaders and the interests of middle and working-class Americans on immigration — to say nothing of the priorities of the Trump administration. As they prepare to meet with President-elect Trump, it is a time for choosing for Silicon Valley.

When Valley leadership talks about immigration, its CEOs are being either (1) incredibly stupid (2) incredibly dishonest, or (3) incredibly insulated from American reality by the Valley's thick bubble.

It's absolutely true that immigrants are a vital part of the economy here, particularly in engineering. But the immigrants who help drive Silicon Valley are not representative of California's or the rest of America's immigrants.

According to a recent *Wall Street Journal* survey on Silicon Valley employee demographics, Asian-Americans are heavily over-represented, whites are modestly over-represented, and Hispanics and African-Americans are hardly represented at all. Of the ten

largest companies in the Valley that have chosen to self-report their diversity, all of their engineering teams, with the lone exception of Apple, were at least one-third Asian-American or Asian, a figure that rose up to 60 percent at LinkedIn. Of course, many of those engineers are native-born Asian-Americans, but many are immigrants and most of the native-born are children of immigrants.

Meanwhile only large legacy companies Apple and Intel have engineering workforces that are more than 4 percent Hispanic, despite aggressive diversity and affirmative-action goals. Hispanics are literally represented at just one tenth of their percentage of California's population. In "leadership" roles the gap is even larger, with only one of the ten companies having more than 4 percent of leadership positions filled by Hispanics and the insufferably politically correct Twitter having no Hispanics at all in leadership positions. Google, a company particularly known for its stringent merit-based hiring practices, has Hispanics in just 2 percent of its engineering jobs and 1 percent of leadership roles.

Given the educational background of California immigrants, such numbers are unsurprising. Fifty-three percent of Latino immigrants to California have not finished high school and only 8 percent have a bachelor's degree. Meanwhile almost one-fifth of recent Asian immigrants have a graduate degree and almost three-fifths have at least a bachelor's. Among immigrants of European origin in California, educational attainment is similar to that among Asian immigrants. More specifically, immigrants from China and India (just 5 percent of the total population of California) and those from Europe and Israel (even smaller percentages) dominate the high-end of immigrant engineering positions in the Valley.

Of course, there are doubtless immigrants from Mexico with degrees from UNAM or Monterrey Institute of Technology who are filling valuable technical and leadership roles in Silicon Valley.

And I'm equally sure that among those immigrating from Latin America with few skills and less than a high-school education there will be some small percentage who will become brilliant software developers or technology entrepreneurs (or their children will). But it's not the general trend, and no Silicon Valley CEO who looked at those numbers dispassionately would think that the future of his company depended on bringing in lots of low-skilled labor, whether from Latin America, Asia, or Europe. If a junior executive came to one of the Valley CEOs with a proposal in another domain that was as empirically unsupported as the Valley's love for low-skilled immigration, that executive would be fired immediately.

Even the most anti-Trump people in Silicon Valley should know better. Michael Moritz, another legendary Silicon Valley venture capitalist, attacked Trump earlier this year in a searing *Financial Times* op-ed. In it, he highlighted four of the Valley's immigrant success stories, of which three were European Jews (Intel's Andy Grove, WhatsApp's Jan Koum, and Google's Sergey Brin) and one a Taiwanese immigrant (Yahoo's Jerry Yang). Needless to say, European Jews and Taiwanese-Americans are a vanishingly small portion of overall immigrants in California. If Moritz wants to argue for more Jewish or Taiwanese immigration (based on the disproportionate success of those immigrant groups in Silicon Valley), that's fine, but it's not an argument for the actual immigration policy we have.

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Moritz goes on to say of his fellow valley leaders, "They run their companies eager to recruit the very best — whether they were born in Guadalajara or Chengdu." I agree, but what does that have to do with defying the law with sanctuary cities or bringing in millions of

low-skill immigrants to depress the wages of hard-working and already struggling Americans?

Statistically speaking, low-skilled and uneducated immigrants are far more likely to be on California's welfare rolls, even multi-generationally, than among the leaders of California's 21st-century industries. Furthermore, the continued encroachment of their often-illegal labor depresses the wages (in construction, agriculture, and service industries) of California's existing population of workers, who are disproportionately immigrants themselves. Driving down the wages for U.S. citizens working in restaurants, in construction, or in child care should not be anybody's idea of good public policy. Here's a history lesson for the Left: There was a reason Cesar Chavez opposed illegal immigration, and it wasn't because of his anti-Hispanic racism — it was because he knew it hurt the workers in his union. Californians used to understand that. Trump still does.

There should be commonsense reforms in legal immigration as well, including increasing the prevailing wage for workers coming into the country on H1-B visa, a change suggested in Trump's immigration platform, one that would ensure that we are bringing in the most talented engineers from abroad without lowering the wages of or taking jobs away from American workers.

#related#Silicon Valley (except Peter Thiel) made a losing bet on this election, but they can work constructively with it over the next four years. If they wish to focus on immigration policies that will help their businesses, the country's tax base, and American workers of all backgrounds, they will have a willing and eager partner in the Trump administration.

COMMENTS

Trump, a native of polyglot and multicultural New York City, understands that part of making American great again is making sure that we can attract top talent from all over the world. He'd

much rather work with Silicon Valley than fight it. But if the Valley wants to engage in the common leftist tactic of moralizing very loudly about immigration in hopes that nobody notices that they aren't actually making a serious argument, then they are going to face a significant conflict with the administration. If that happens, they will almost certainly lose their fight on immigration — and on a whole lot more.

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