

# High-tech networks in Silicon Valley

A study of Korean-American business linkages

Dong-Ho Shin

**Silicon Valley is one of the most dynamic industrial regions in the world. One of the major factors contributing to the economic success of the region is the presence of active networks of immigrant entrepreneurs. While Chinese and Indian immigrant enterprises in the region have been carefully studied, little is known about the Korean experience or networks. This article presents the results of the author's interviews with representatives of Korean-American high-tech firms in the Valley. It identifies various patterns of networking: strong and weak ties, linkages within and without the Korean-American community, and local and international linkages across the Pacific Ocean.**

## Introduction

**S**ilicon Valley, one of the most widely known industrial regions in the world, continues to experience rapid economic growth. In recent years, increasing attention has been paid to the role of immigrant enterprises and their local and international networks. Two extensive studies on the Valley by Saxenian<sup>1,2</sup>, for example, focus on Chinese and Indian entrepreneurs. Another research<sup>3</sup> analyzes the Valley's networks with Israel. These studies have demonstrated that immigrant enterprises in the Valley are totally different from traditional immigrant businesses, i.e., "mom-and-pop" shops.<sup>4,5,6,7</sup>

It is in this context that this article investigates the networks of Korean-American immigrant high-tech enter-

prises (KAIHTEs) of Silicon Valley. The article attempts to map out the structure of the networks formed and employed during the processes of firm creation, expansion, and operation. Using network theory, it analyzes the territorial scope of the networks of KAIHTEs of the Valley, shows the strengths of the networks, and makes some comments on the beneficiaries of the networks.

This article is a result of a set of interviews conducted during the months of January 1999 and February 2000. Out of approximately 100 firms classified as "KAIHTEs", ten companies were chosen to be investigated. The founders (often the CEOs themselves) were interviewed, and five of them are actually introduced in this paper. In addition, representatives of ethnic business associations were also inter-

**Mr. Dong-Ho Shin**  
Associate Professor  
Department of Urban and  
Regional Planning  
Hannam University  
Taejon 306-791, Korea  
Tel: (+82-42) 629-7857 (Office)  
Fax: (+82-42) 629-7656  
E-mail: dhshin@mail.hannam.ac.kr