The Other One Percent

Indians in America

SANJOY CHAKRAVORTY
DEVESH KAPUR
NIRVIKAR SINGH

OXFORD UNIVERSITY PRESS
To our children

Shourjo Chakravorty, Maya Kapur, Kunal Kapur,
Bhairav Singh, and Keshav Singh
CONTENTS

Preface ix
Acknowledgments xxv

1. A Short History of Small Numbers 1
2. Selected for Success 27
3. A Coat of Many Colors 70
4. Becoming American 130
5. Entrepreneurship by the Numbers 182
6. Entrepreneurial Narratives, Niches, and Networks 232
7. Host and Home 267

Appendix: Data Used and Explanations 289
Notes 301
Index 341
In June 2012, Rajat Gupta, retired chief executive of McKinsey, was convicted on three counts of securities fraud and one count of conspiracy for passing along confidential boardroom information to a hedge fund. Leading the prosecution was Preetinder Singh “Preet” Bharara, the U.S. attorney for the Southern District of New York. Both Gupta and Bharara were naturalized citizens who had been born in India and came to the United States in the early 1970s, the former after graduating from IIT-Delhi and the latter as a child immigrating with his parents. Both had received status-boosting educations at Harvard University and were highly ambitious. Gupta had become, in 1994, the first worldwide managing director of McKinsey born outside the United States and was a pioneer in the first generation of Indian Americans to break through the glass ceiling in corporate America. Bharara was the first Indian American to occupy that U.S. attorney’s office—considered the most prestigious crime-fighting position in the country—and his actions appeared to ensure an even more promising future for an already prominent public figure.

The trial vividly captured “The Rise of the Indian-American Elite” (the subtitle of Anita Raghavan’s account of the story) and overlaid an even larger story—namely, a half-century of one of the most selective immigrations in modern history. It illustrated David Ben-Gurion’s wry observation that “for Israel to be counted among the nations of the world, it has to have its own burglars and prostitutes,” and appeared as a milestone marking the emergence of the Indian-American community as part of mainstream America.

We wrote this book on the fiftieth anniversary of one of the most significant laws enacted in postwar America. The U.S. Immigration and Nationality Act of 1965 abolished the national-origins quota system established in the 1920s and replaced it with a preference system based on skills and family relationships. The quota system had excluded people from the Global South and favored Europeans. Now, for the first time since WWI, the doors of the United
States were partially opened to people of color; but unlike the earlier big immigrant waves, this official opening was less to the “huddled masses” and more the skilled immigrants and those fortunate to already have family members to vouch for them. Unofficially, of course, the huddled masses came anyway. The impact of this new skill bias of America’s immigration policy was profoundly manifest in one immigrant group: Indians. The next half-century—especially its final two decades—saw the most selective immigration (of skilled and educated workers) into the United States from any one country. Half a millennium after Christopher Columbus thought he had discovered India and encountered “Indians,” the Indian-American population was 50 percent larger than the native American (Indian) population, and earned, on average, three times as much.

People of Indian origin—whether they are born in India, the United States, or elsewhere—make up about 1 percent of the American population. Despite its small size, this community has been called (along with several other Asian-American communities) a “model minority” that has been unusually successful in pursuing the American Dream through careers in high-skill occupations and entrepreneurship. How did a population from one of the poorest countries halfway around the world, with distinctive linguistic and religious characteristics and low levels of human capital, emerge as arguably the richest and most economically successful group in one of the richest and unarguably the most powerful country in the world—and that, too, in little more than a single generation?

There are several anecdotal and journalistic accounts of the professional and entrepreneurial achievements of Indians in America (along with the occasional high-profile crime), a number of scholarly studies on specific subgroups of the population (such as taxi drivers in New York or motel owners of Gujarati origin), but no single study has looked at the whole community, including its marginal or less visible members. The community has also not attracted much attention in the burgeoning literature on immigration. When Maritsa Poros (herself the daughter of Greek immigrants) decided to study Indian immigrants, she “was told by a prominent migration researcher and sociologist...that ‘Indians are not a problem’...in that as a group they were not poor, segregated, unemployed, exploited, illegal, criminal, or even culturally different enough to be perceived as one of the more ‘problematic’ immigrant groups in American society. Their presence in the United States neither appealed to any need for social justice nor seemed to spark much anti-immigrant sentiment.”

So why study a nonproblem?

If for no other reason, Indians in America deserve scholarly attention for demographic reasons. In 2014, India was the largest source of new immigrants to the United States and the second largest source of total immigrants. Providing over 147,000 new immigrants in a single year, India was a bigger source than China (about 132,000) and Mexico (about 130,000). These latest additions raised the total India-born population to 2.2 million, making it the second largest...
foreign-born group in the United States (after Mexicans). The scale and speed of this inflow becomes even clearer when we note that in 1990, people born in India were not even in the top ten of foreign-born populations in America. Something large was afoot and it was necessary to understand what it was.

This book is a serious attempt at creating that knowledge. It aims to provide a reasonably comprehensive account of this community, the life and work of its members, its increasing visibility and it snot insignificant “invisible” component, and, importantly, what explains its specific characteristics. We use the characterization “reasonably comprehensive” with due caution, since for reasons of space, expertise, and approach, there are important issues we do not cover, especially the following two.

First, unlike much writing on Indian Americans in the humanities traditions, we do not focus on the discourse centered on race and identity, nor on questions of how Indians do (or do not) fit into American racial categories and the politics of racialization. Race is an important category, and we give it significant attention, but it is not the only or necessarily most important dimension of identity for everyone. Diversity among Indian Americans is a leitmotif for us. Rather than see “Indian” as a homogeneous category to be somehow placed in the American racial system and its dynamics and differences, our approach includes a disaggregation of the category “Indian” into its linguistic and class components, to discuss their dynamics and differences. We show, at many points in the book, that these categories from “home” are more meaningful in terms of outcomes in the host. We submit that this approach reverses the analytical orientation—we look at Indians in America from an Indian perspective rather than an American one.

Second, we elide the cultural expressions of being Indian in America, ranging from the more recognized ones of artistic creation and performance to the less recognized ones of consumption practices from clothing to cuisine, from housing to hospitality. We believe that scholars trained in the humanities traditions are epistemologically better equipped to address these subjects.

Our approach is rooted in the social science disciplines and methods. It includes serious and substantive interrogations of the two most important processes in immigration: selection and assimilation (extending to its contemporary avatar, acculturation), where each has economic, social, and spatial dimensions. Our method is to rely on data to find patterns and explanations, including the American Community Survey (ACS) and the Public Use Microdata Samples (PUMS) of the U.S. Census; a survey of Asian Americans (including Indian Americans) by the Pew Foundation; an original survey of Indian-American professionals and entrepreneurs undertaken for this project; and individual interviews with a range of Indian Americans. Finally, it is important to note that this work is interdisciplinary by definition. The theoretical foundations come from
our disciplinary trainings and include insights from economics, political science, and geography. The analytical and presentation methods we use are similarly diverse.

Selection and Assimilation

A comprehensive account of any immigrant group must begin by investigating who immigrates. Immigrants are rarely representative of the sending country’s population. And, while many may desire to enter another country, only a few are allowed. Immigrants have specific characteristics that both allow them to leave their country of origin and be suitable for admission to the receiving country. These characteristics can be both observable (such as age, gender, education, religion, language) and unobservable (such as ambition, grit, luck). In short, immigrants are always selected: for leaving the country of origin and for being allowed to enter the destination country.

In large part, the story of Indians in America is one of selection. While this is true for all immigrants, those from India stand out in the degree of selection on human capital relative to both the destination country and the country of origin. In the first, pre-1965 phase of immigration, when few Indians came to the United States (for a number of reasons, including nativist and racist policies and barriers), they were largely laborers in the early part of the twentieth century, though a handful of students and more educated people did trickle in. Those who managed to enter post-WWII were well educated but few in number. In the post-1965 period, when U.S. policy favored both family unification and higher skills, the India-born population immigrated in three waves. The Early Movers (from the mid-1960s to the late 1970s) were highly educated (45 percent had or later acquired professional degrees, especially in medicine; or graduate degrees, especially in what has come to be called the STEM fields). There was greater variance in the human capital of The Families cohort (from the beginning of the 1980s to the mid-1990s), in which family unification became the dominant mode of entry. The most recent period, from 1995 to 2014–2015 (when this book was written), saw the arrival of what we call The IT Generation, a group selected specifically for its specialized skills in the information technology sector or other science and technology (STEM) fields. They also arrived in much larger numbers—at five times the rate of the Early Movers and twice the rate of The Families initially, three times that rate when this book was being written.

Critically, what did not happen is also important. Distance kept Indians with low human capital from entering the United States illegally in very large numbers (in contrast to illegal immigrants from more proximate locations like Mexico and Central America). Also, India’s democracy meant that the vast majority
of those who left India did so voluntarily, unlike many immigrants from other developing countries who came as refugees or asylum seekers to escape political chaos or persecution. And since they were not escaping, Indians tended to be more connected to “home.” These characteristics, in combination with the very high volume of skilled-worker immigration after 1995, made Indian immigrants “outliers” in the degree to which higher education, especially in technical fields, and the U.S. labor market played larger roles relative to other selection mechanisms of U.S. immigration policy.

Indians in America did not resemble any other population anywhere: not the Indian population in India, nor the native population in the United States, nor any other immigrant group from any other nation. They were triply selected: in India, first through a social hierarchy that generally restricted access to higher education to groups with high socioeconomic status, then through an examination and education-financing system that further limited the number of individuals who received the inputs that made it possible to become eligible for immigration to the United States, and finally in the United States, selected though an immigration system that was geared to admit students and workers who matched the country’s high-end labor market needs.

A major focus of this book is on demonstrating and understanding the multiple selections that shaped the Indian-American population. These selections applied not only to education (that, in terms of attaining college degrees, made the India-born population three times more educated than that in the host country and nine times more educated than the home country’s population) but also to class and caste (favoring, by large margins, the “upper” and dominant classes and castes of India), profession (engineering, IT, and health care), and both the region of origin (Gujarati and Punjabi were overrepresented in the first two phases, and Telugu and Tamil in the third phase) and region of settlement (in specific metropolitan clusters in and around New York City, the San Francisco Bay Area, Chicago, Washington, D.C., and Houston and Dallas).

In addition to direct selection is what we call the “selection+” advantage: we suggest that group characteristics or norms, such as the fact that Indians had the highest propensity to live in married-couple households of any major immigrant group, added to the advantages of being an already selected group. We show, in particular, how family norms were useful in keeping the Indian-American poverty level low (under 5 percent) and family income high (the highest in the United States). It is also likely that the selection process enabled, without explicitly intending to, the generation of high levels of social capital (through linguistic/professional networks such as Gujarati entrepreneurs in the hotel industry, Telugu and Tamil workers in the IT industry, IIT engineers, Malayali nurses, Bengali academics, etc.). Several linguistic subgroups, many with caste or clan affinities, with moderate to high levels of human capital, were also successful
in creating “bonding” social networks and capital that enhanced their status. Even low-income groups, such as Punjabi taxi drivers in New York, were able to create some social (bonding) capital. Several professional subgroups without kinship or linguistic affiliation—doctors and engineers, for example—were able to organize and prosper by creating bridging social networks and capital. Selection—broadly understood—is present as a primary or secondary theme in much of this book.

If the subject of selection covers the question of who immigrates, the subject of assimilation covers what happens after immigration. We are cognizant that, like selection, assimilation has multiple meanings whose salience varies across generations and issues (economic, social, or political). First-generation, or India-born, immigrants faced assimilation issues that were distinct from those faced by their children, the second generation, or America-born; and both in turn have differed from those faced by the so-called 1.5 generation—those who moved to the United States as children. History matters, as does geography. Early immigrant cohorts and those that moved to smaller towns faced very different contexts of reception from those who came later or settled in large cities. And while economic assimilation has proceeded rapidly, social assimilation has lagged.

Assimilation is a wide umbrella that covers a swathe of social and cultural issues, from marriage, gender, and child-bearing norms, to political participation, faith, and language preferences. The intergenerational differences on some of these dimensions can be stark and often the basis for anxiety and intergenerational conflict. For the first generation in particular, assimilation had significant economic and spatial dimensions, from occupational to settlement choice (or, absence of choice); and these choices (or compulsions) had consequences. Like selection, the theme of assimilation runs through the book, but is especially important in the second half.

The Organization of the Book

Our account of the immigration of Indians to America has three major elements: deep history, recent history, and the second generation. In chapter 1, “A Short History of Small Numbers,” we begin at the turn of the twentieth century, when a small number of people from what was then the British Empire in the Indian subcontinent began to arrive (mainly from Punjab and going to the West Coast, but also some from Bengal and going to the East Coast) before it was shut tight after the passage of race-based immigration restriction acts. We include concise studies of the hybrid Punjabi-Mexican communities in the Central Valley of California and their Bengali counterparts on the East Coast, as well as the rare Indian intellectual trying to engage Americans in the struggle...
against British colonial rule in India. But, of course, at the time there was no “India,” at least as an independent political entity; and being Indian was a civilizational ethos whose political boundaries were an external construct of the British Empire, in which identities were as yet more local than national.

As the title of chapter 1 indicates, the numbers of Indian immigrants in the United States were very small before 1965. So, the larger part of our story is the recent history—the half-century after the mid-1960s, the broad trends in the growth of the Indian-American population in that half-century, and the policies in both the United States and India that have shaped these changes. These shifts have transformed a miniscule community that grew by less than 300 annually in the first decades of the twentieth century to one that grew by more than 300 a day by the end of the first decade of the twenty-first century. This dramatic increase in numbers transformed an “invisible” minority into a “visible” one, especially in some key locations and professions.

It is important to note that the visibility of the community is a recent phenomenon—about three-fourths of the India-born population in the United States arrived after the mid-1990s. We discuss several reasons that explain this surge, including technological changes (generalized phenomena such as the revolution in communication and information technology and specific events like the Y2K problem that initiated the demand for Indian IT professionals); higher education policies in the United States, and India that facilitated the movement of the “best and brightest” from India to the United States in high-skill fields; and policy changes (such as the 1991 structural reforms and rapid privatization of higher education in India and the adaptations of the H-1B visa program in the United States).

Chapter 2, “Selected for Success,” is an account of this large transformation with a focus on the “selection” processes both in the United States and in India that have made this an economically successful outlier community. We carefully detail the selection process and establish the “outlier” status of the Indian-American population, especially its economically active and demographically dominant India-born segment. We show that the India-born had the highest levels of educational attainment, worked most intensively in skill-based industries and occupations, and had the highest family incomes in comparison to all subgroups and national origins in the U.S. population. At the same time, because the higher levels of education and income were combined with norms imported from the subcontinent that emphasized marriage and family cohesion, Indians were largely insulated from the structural inequalities of American society.

Three facts are highlighted. First, Indians were entering the United States in unprecedented numbers. At the time of this writing, about 110,000 Indians were entering each year through the skill-based paths (60,000 through H-1B visas focused on computer-related occupations, 20,000 through L-1 visas, also
focused on computer-related occupations, and 30,000 through F-1 student visas focused on STEM disciplines). Another 10,000 to 20,000 India-born were entering every year through the more traditional paths: family sponsorship and family reunification. Together, the annual rate of entry was well in excess of 120,000 individuals.

Second, the increasing significance of skill-based entry paths ensured that this population was highly educated. Almost every one of the skill-based annual entrants had at least a bachelor’s degree when he or she entered, or acquired the degree soon thereafter, and well over half either already possessed or soon acquired a graduate degree. As a result, the proportion of college or higher degree holders among Indian Americans jumped from 48 percent in 1990 to 69 percent in 2010. This was the root cause of the rise of Indian Americans into the highest-educated and highest-earning group.

Third, the new entrants spoke different languages and lived in different places than earlier immigrants. The linguistic composition of the Indian-American population began to change fundamentally from the mid-1990s. Telugus and Tamils increased rapidly in size, joined later by Hindi speakers. They entered in large numbers using skill-based paths, whereas the traditional leaders (Gujaratis and Punjabis) remained reliant on the traditional mode of entry (family-based paths), and were rapidly losing their dominant shares.

These shifts came about as a result of major technological changes—the communication revolution that continues to restructure the process and location of production and value addition on a global scale—and policy changes that both reacted to and further enabled this particular form of economic globalization. We present a detailed account of the immigration policy shifts in the United States, especially as they applied to Indians, and emphasize that this was a necessary but not sufficient condition to generate the flow of IT workers from India. On the supply side, in India, there were policy shifts in higher education associated with liberalization beginning in 1984 and strengthened in 1991. These policy shifts had a distinct regional orientation—states in South India were early adapters, where private engineering colleges first mushroomed—which is why there was a regional turn in the composition of Indian immigrants to the United States. Changes in the stock and flow of these immigrants was one of the many elements of global economic restructuring that included, in India, the rise of the IT industry to one-twelfth of that country’s economy, and the industry’s growth in cities ranging from Bangalore to Gurgaon, and Pune to Hyderabad.

Our examination of the stock and recent flow of Indians continues into chapter 3, “A Coat of Many Colors,” in which we discuss the diversity of Indians in America by disaggregating the national-level data along two intersecting dimensions of geography: the geography of origin in India (expressed through language spoken) and the geography of settlement in the United States. That is,
where in India did the Indians come from, where in the United States did they settle, and what do these specific movements imply for the Indian-American population? We study these questions at disaggregated scales (states, counties, municipalities, metropolises, and places) in order to detail the variances within the Indian population in the United States—its clusters, concentrations, and inequalities.

We identify the large Indian clusters in the New York–New Jersey metropolitan region (especially in Queens County, New York, and Middlesex County, New Jersey), in Santa Clara County in California, in and around Chicago–Schaumberg in Illinois, and in the suburbs of Washington, D.C., and Houston and Dallas. We argue that the concentration of Indians in a handful of occupations—the IT sector alone employed more than one-fourth of all Indians working in the United States in the early 2010s—along with the clustering of these occupations in a few places in the United States had created a new, specialized settlement form that we call “ethno-techno-burb.” This new settlement form is different from the “ethnic enclave” of old—the Chinatowns and Little Havanas and Little Sicilies—and different yet from the “ethnoburbs” of recent decades, because along with a clustering of co-ethnics in selected suburbs was the fact of their specialization in technical fields.

It is a paradox. Despite the decline in housing discrimination and institutionalized racism in the United States, and an almost unlimited freedom of location choice (conditional, of course, on income), a large proportion of Indians were spatially constrained by the work they did to residential choices in a small number of specialized suburbs. They were like workers in the coal industry, concentrated where the coal seams had to be.

Our method allows us to see where the IT professionals lived, as well as the doctors and money managers, the retail workers and farmers, the highly educated and the less educated, and the very rich and the poor—and the size of the gap between these groups. It is necessary to emphasize that there was substantial variance within the Indian community, with extremes at the two ends. At the time of this writing, it was estimated that there were as many as a quarter of a million undocumented individuals from India, roughly one in twelve of the adult population had less than a high school education, one in ten households did not have a single person older than fourteen who spoke English well, and one in eight individuals did not have health insurance.

We identify these polarizations and juxtapositions in specific ways. For instance, we show the extreme polarization in the New York metropolitan region, which had two of the four and five of the twenty highest-income settlements of the India-born, even as it harbored two of the three and seven of the twenty lowest-income settlements. Similar, albeit less stark, juxtapositions existed in California between the high-tech, high-income cluster in Silicon Valley,
where more than half the India-born population had advanced degrees, less than a hundred miles from locations in the Central Valley, where fewer than one in ten India-born had advanced degrees and most worked in low-income agriculture.

These different combinations of data allow us to identify an emerging story of India’s different linguistic groups and their distinct histories, geographies, and occupations in the United States. For instance, Punjabis specialized in the transportation and retail trade sectors; Gujaratis dominated in the hotel/restaurant and retail trade sectors; Malayalis were strongly concentrated in the nursing sector; Bengalis were disproportionately employed in the education sector; and the IT sector had a high concentration of Telugus and Tamils. Physicians were more evenly divided among the languages, a rare case of linguistic evenness.

We show that the three phases of Indian immigration also had distinct linguistic patterns. The Early Movers and The Families in the first two phases were composed primarily of Gujaratis and Punjabis (and to a lesser extent, Malayalam and Urdu speakers); we call this group Settlers 1.0. On the other hand, the IT Generation (which we call Settlers 2.0) was dominated by Hindi, Telugu, and Tamil speakers (and, to a much lesser extent, Kannada, Marathi, and Bengali speakers). Settlers 2.0 were much more educated and earned about 50 percent more, on average, than Settlers 1.0. So different were these groups that a comparison of the top and bottom by income (Kannadigas or Telugus vs. Punjabis) could lead to the conclusion that, other than the country of origin, they had almost nothing in common. At the time of this writing, the demographic dominance of Settlers 2.0 within the community made it the driver of the key characteristics of settlement, education, income, and linguistic composition for the overall Indian population, and appeared poised to create new Indian-American identities.

The work in chapter 4, “Becoming American,” examines the multiple pathways—economic, social, cultural, civic, political—that all immigrants travel to “become American,” maintaining some aspects of their distinctive identities while shedding others. We interrogate this story from multiple angles: naturalization, civic engagement, and forms of political participation. How did discrimination—from blatant racism to more subtle glass ceilings—shape the forms and degree of assimilation? What does assimilation mean for the second-generation Indian American and how is it manifested through exogamy, fertility decisions, occupation choices, and different forms of civic and political engagement? Is there a “regression to the mean”—that is, is the second generation becoming more like the average American? The quintessential immigrant story in the United States is of first-generation immigrants coming with education and incomes below the home average, and taking several generations to rise up to the host average. But, in the case of Indian Americans, the first generation already had considerably higher averages than at home and host; hence, for the second
generation, a regression to the mean could only mean downward mobility. Is that the case? With relatively limited evidence—because the second generation was so young (five out of six were younger than twenty-five)—we argue that the answer is negative: there was no downward regression to the mean. Therefore, because of the rising significance of high-skilled labor migration into more developed economies, our findings invite a fundamental reexamination of some accepted precepts of immigration theory on assimilation.

Assimilation is not, of course, simply a second-generation issue. We examine some specific questions about first-generation immigrants: whether, for instance, greater familiarity with English, relatively low levels of illegal immigration, and higher levels of education have facilitated economic assimilation, at the same time that different religious and linguistic identities have impeded cultural and social assimilation. How have cultural mores and social practices impeded or adapted assimilation? Our analysis of gender relations examines whether the patriarchal norms prevalent in India have “traveled,” and on what dimensions they have changed and how? We find mixed evidence of change (for instance, in child gender ratios), but also surprisingly, how the U.S. visa regime itself, with its differential labor rules regarding “worker” and “spouse,” reinforces patriarchy.

Professional and entrepreneurial success, however, goes only so far as indicators of assimilatory success. A presence in politics, public life, and popular culture are the other signs of a community’s assimilation. While the gubernatorial success of Bobby Jindal and Nikki Haley might signal the community’s arrival in politics, they also point to an important barrier—religion—that has hobbled this ambition. And religion, we argue, might also explain why Indian Americans appear to vote against their class interests by shying away from the Republican Party and voting overwhelmingly for Democratic candidates—at rates higher than most groups other than African Americans.

Given the sheer diversity of India—languages, cultures, religions—it is unsurprising that the “Indian” in “Indian American” is contested terrain, as reflected in the multiple and distinct sites where the community congregates to worship (temples, gurdwaras, mosques), to be entertained (Bollywood and regional language films and live shows), and sites of cultural reproduction (language, performing arts, and religious-instruction schools for second-generation children). Indeed, one of the biggest divides is between activists (including academics based in the humanities) and those claiming to speak for (and represent) the majority community. The contestations of self-identity are manifest in many ways—through the reinvention of names, for instance—as immigrants seek to “fit in.” We try to understand a critical subjectivity involved in assimilation, namely ethnicity and identity. What do we make of the range of hyphenated identities as, for example, Gujarati, Gujarati American, Indian American, Asian Indian, South Asian American, Asian American, or just American? In
examining this issue we also shed some light on what we term “the diaspora in the diaspora”—the roughly 10 percent of the Indian 1 percent who were born neither in India nor in the United States.

Unlike earlier waves of immigrants, Indians arrived in an America that was more tolerant of hybrid identities. While this has meant that, for example, Indians have not Anglicized their last names, they have yielded ground on first names, picking two-syllable names that can be pronounced by their children’s peers and teachers. Are these types of practices emblematic of a new hyphenated American, representing a more liminal cosmopolitanism, or simply a veneer masking more chauvinistic identities? The answers are not easy or clear; as we discover in multiple ways and places, to be Indian in America is not one thing, not a single identity that is “conservative” or “liberal,” or any of the simplifying polarizations that dominate the discourse. We struggle to reach some understanding, trying always to not be reduced by the need to be conclusive.

Next, in chapter 5, “Entrepreneurship by the Numbers,” we turn our attention to entrepreneurship. For a long time, the image of Indian-American success was found in the professions—successful doctors and engineers who epitomized the suburban good life, though some of these professionals were also small business owners, running their own practices, individually or in partnerships. A second pillar of the community—the entrepreneurs—was concentrated in ethnic businesses such as Indian grocery stores and restaurants. The educated middle class was risk averse and held on to a traditional (Indian) class aversion towards entrepreneurship. This began to change in the 1980s and 1990s, with the emergence of entrepreneurial initiatives in hospitality, trade, and even manufacturing, in places like Boston and Chicago, Houston and Washington, D.C. But the most visible manifestation was the rise of the Silicon Valley innovator/entrepreneurs who created successful software or hardware companies. While these tech companies and their founders were more visible in the media, the leading industry sectors for entrepreneurship, we find, were not necessarily those in which Indian Americans work (like computers and technology), but in industries requiring less skilled labor (restaurants, grocery stores, convenience stores, hotels, etc.) and in franchise ownership across a host of service industries. We are able to outline a story of the diversification of Indian-American entrepreneurs, from traditional ethnic enterprises into new industry sectors and from community strongholds into uncharted terrain.

We are as interested in the entrepreneurs as we are in entrepreneurship. Our data (which include original surveys and interviews) allow us to describe patterns of education and migration, linkages with India, motivations, and cultural norms. The patterns we look at go beyond individual variables to examine how different characteristics of individuals are related to their entrepreneurship choices and the outcomes of those decisions. We analyze “generational
differences” in terms of both chronological age and the degree of remove from the displacement of immigration, and “motivations,” including reasons for moving and for becoming entrepreneurs. We compare the patterns we find with those of other studies of Indian Americans, of immigrants, and of other entrepreneurs to understand the differences, as well as the basic similarities. For example, does education trump culture in explaining choices and predicting success? Do distinctively “Indian values” matter, or are they just personal characteristics that happen to be prevalent among this select group of immigrants? These questions are particularly germane given current debates on the contributions of immigrants to creating new firms in the United States.

Our analysis of both U.S. Census data and survey data on Indian-American business owners suggest that there is no obvious “secret sauce” in their entrepreneurial success. Education and familiarity with English are important determinants of success. High levels of education persist for the second generation, even though there is a broadening of choices of field in education and of sector or industry in subsequent careers. The census data from 2007 suggest that women entrepreneurs still do not do as well as men, on average, but the survey data from 2013 indicate that the playing field may be leveling, at least at the high end. Again, education seems to play an important role in allowing Indian-American women access to successful careers, entrepreneurial or otherwise. The survey data do not provide any evidence for special roles played by networks or values in the success of Indian-American entrepreneurs. Of course, both sets of factors play a positive role in success, as emerges from survey responses. But the processes do not seem especially distinctive from those operating for any other well-educated ethnic immigrant group.

Chapter 6, “Entrepreneurial Narratives, Niches, and Networks,” uses individual interviews conducted for this study, as well as interviews available in print and other media, to anchor the Indian-American entrepreneurial story with specific examples. The prototypical Gujarati motel and hotel owner business community has leveraged a classic ethnic network, one that is based on social identities (particularly caste affiliations) and norms of trust and reciprocity. A large number of these business owners came from a narrow segment of the Gujarati population, namely Patels and a couple of related caste groups. On the other hand, the success of Indian-American entrepreneurs in Silicon Valley appears to have been aided by a conscious attempt to create a pan-Indian (indeed, pan–South Asian) network of information sharing and mentoring. No doubt, there are regional ethnic networks that continue to operate, and alumni networks (particularly that of IIT graduates) that are very important in the technology sector, but institutions like The Indus Entrepreneurs represented a significant innovation for Indian Americans, though preceded by similar efforts by Taiwanese and Chinese Americans.6
Individual stories of Indian-American entrepreneurs also reveal some of the challenges of assimilation. The American Dream can include conspicuous consumption and self-promotion, and some of the perils of this path are illustrated in chapter 6. A strong message of this chapter, as in preceding chapters, is of diversity: the Indian-American entrepreneurial experience is widely varied. The stories of Silicon Valley and the Gujarati motel owners are well known, and revisited here, but there are also gas station owners, taxi drivers, comic book aficionados, and more. Diversity also shows up in social entrepreneurship, with the classic philanthropy of the older generation, aimed at their home country, complemented in various local efforts by younger Indian Americans, where the nature of their enterprises is unrelated to their national or ethnic backgrounds. Younger Indian-American entrepreneurs are also venturing into more varied fields and bring with them more global experiences. While many Indian immigrant entrepreneurs have come from privileged social backgrounds in India, the first generation arrived almost empty-pocketed (as a result of India’s foreign exchange controls and not necessarily family penury); recent arrivals are less financially pressed. There are also rags-to-riches stories sampled in this chapter. The case of Sikhs, as a religious minority within a minority, further illustrates some of the diversity of experience among Indian-American entrepreneurs.

Finally, in chapter 7, “Host and Home,” we turn the lens in the other direction: the relationship of Indian Americans with the country of origin—India. The economic success of Indian Americans within a single generation has implications that go well beyond the immigrants themselves, affecting both their countries of origin and of settlement; on the relationship between the two; and on the vexing subject of immigration policy. We first examine how Indian Americans have affected their country of origin, through trade and investment, financial flows in the form of remittances, cross-border philanthropy, and the flow of information and ideas. We argue that their success in the United States has had reputational externalities, which has given them access as interlocutors in both countries. While not the driver, they have helped put a proverbial foot on both the accelerator and the brake in the relationship between the world’s largest and most powerful democracies. And as the geopolitical tectonic plates shift in Asia, this community has helped facilitate stronger U.S.–India relations.

Of all the drivers of contemporary globalization—trade in goods and services, investment, information, and people—it is the last that is the most politically contentious. What are some implications of the economic success of Indian Americans in what is still the most powerful country for immigration policy, both in the United States and more broadly? Are the key factors that have led to this outcome—selection and the context of reception—replicable or even normatively desirable? The evidence in this book strongly suggests that how one comes into the country is critical to the likelihood of economic success and
upward mobility. We argue that the immigration literature has underplayed the importance of the manner of arriving in the United States. Even among legal immigrants, those coming in as students or on work visas have much better access to labor markets than those who enter as refugees or through family sponsorship, and this fundamentally affects their long-term economic prospects, as well as their economic contributions. It is also less conflictual, since the immigrants’ assimilation path is less contentious.

But this amplifies the privileges of those already relatively privileged. New factors, such as the rise of dual citizenship, greater global economic opportunities, and easier links with the country of origin make “circulation” more feasible, giving mobile human capital greater bargaining power and the rents that come with it. For immigrants, how these trends are affecting assimilation characteristics and what they mean for citizenship in the twenty-first century is unclear. And for immigrant-destination countries, the importance of economic factors relative to the weight of other factors in deciding whom to allow in has more or less become a form of social engineering whose effects will reverberate well into the future on fundamental conceptions of citizenship and nationhood.

We end the final chapter and the book with some crystal-gazing about the future of Indians in America. Because of the vicissitudes of globalization and national policies, it is not possible to project with any degree of certainty how many more Indians will immigrate to the United States. We do know, however, that the recent Indian immigrants have been young people (two-thirds are between 20 and 35 years old), in the prime of fertility and reproduction. We are also sure of one number: the children already born in the United States to Indian parents. They are already here. This cohort of second-generation Indians will more than double in size by 2030. Considering the new entrants and the reproductive patterns of existing and new arrivals, it is possible that the Indian-origin population in the United States could double in a couple of decades, from a little over 3 million to about 6 million. Thus, the “other one percent” will then become the “other two percent,” with its second generation forming a population of significant size and voice. Perhaps, by then, this book will need to be rewritten, with an updated title and with authors who are the progeny of the first generation. But that is some time away, as Indians and other immigrants in the United States negotiate their way through these anxious times.