



[Home](#) / [Fe columnist](#) / [The other 1%: Indians in America](#)

The other 1%: Indians in America

The community's success is rooted in three core processes—selection, assimilation and entrepreneurship . The educated middle-class held on to a traditional class aversion towards entrepreneurship. This began to change in the 1980s and 1990s with the emergence of the Silicon Valley innovators/ entrepreneurs

By: [Nirvikar Singh](#) | Updated: November 3, 2016 1:27 PM



People of Indian origin now make up a little over 1% of the American population (hence the title of our book), up from barely half a percent at the turn of the millennium. (Reuters)

This column's title is also the title of a book by Sanjoy Chakravorty, Devesh Kapur and myself, telling the

first modern, comprehensive, data-driven story of one of America's emerging minorities. The story of Indians who moved to the United States is one of the most remarkable stories of immigration in the last half century.

Not only has its recent growth been extraordinary, but this population from a developing nation with low human capital is now the most-educated and highest-income group in the world's most advanced nation. How did this happen and why should we care?

The 'how' involves three core processes—selection, assimilation, and entrepreneurship—of which the first has been fundamental, in fact, a triple selection. The first two stages of selection happened in India. First, a hierarchical society generally restricted access to higher education to groups with higher socio-economic status—the 'upper' and 'dominant' castes. Second, a fiercely competitive examination system further limited the number of individuals who received the education that made them eligible for consideration for immigration. The third selection was through the US immigration system that was geared to admit students and workers that matched its high-end labour market needs, especially in science, technology and engineering, and especially from the 1990s onward. The result is a unique population, unlike any other: a population of outliers.

The selection process also made assimilation easier for this modern immigrant population. Many Indian Americans slotted immediately into high-skill jobs. Others came for higher education and used that as a small step into the labour market. Still others had to struggle more, but often benefited from the networks and resources that their better-off or more settled compatriots provided. For a large fraction of these immigrants, English language fluency smoothed the path to integrating into American society.

The third process, entrepreneurship, is in some ways the newest component of the story, building on the first two, and epitomising the possibility of rapid and large-scale economic success. Initially, Indian-American success was found in the professions—successful engineers and doctors who epitomised the suburban good life, though some of these professionals were also small business-owners, running their own practices, individually or in partnerships. Entrepreneurs were concentrated in ethnic businesses such as Indian grocery stores and restaurants. The educated middle-class was risk-averse and held on to a traditional class aversion towards entrepreneurship. This began to change in the 1980s and 1990s with the emergence of the Silicon Valley innovator/entrepreneurs who created successful software or hardware companies. US tech companies are now disproportionately likely to have Indian-American founders, but there is emerging diversification of Indian-American entrepreneurship and upgrading in

traditional niches such as the hospitality industry. Our analysis of census and survey data on Indian-American business owners indicates that there is no “secret sauce” to their entrepreneurial success. Education and familiarity with English matter again. Ethnic networks have helped, but so have new types of professional networks, The Indus Entrepreneurs (TiE) being a prime example.

The importance and success of TiE is part of the answer to why we should care about the Indian-American story. TiE built an inclusive network that encompassed and transcended much of the diversity of the Indian American community. Dimensions of this diversity include the period when they arrived in the US, their education, family and socio-economic backgrounds, religion, gender and age. At the same time, the research in our book suggests that, for Indian-American entrepreneurs, many of the attitudes and values that led to their choices and their success were not culture-specific, but reflected diverse formative life experiences, global exposure, and openness to novelty and taking chances.

So, there are important implications for India in our story of Indian Americans; another reason why we should care. Our story suggests the enormous potential of India, if its institutions and governance structures can improve enough to create some of the conditions for its broader population to thrive. The most obvious improvement is wider access to better quality education—which, in India, also has implications for improving basic health and nutrition, without which learning cannot take place. Another is being willing to embrace diversity and change, which quality has stood Indian Americans in good stead. India does not need to be homogenised to become developed. At the same time, India does not have to become like America. Successful Indian Americans have often maintained extended family networks and support structures. Many have been active in social entrepreneurship, to give back to the less fortunate. Interestingly, the vast majority of Indian Americans, across all income levels, have voted for Democratic Party candidates in recent US presidential elections, indicating some alignment with the values of that party. At a time when Indian immigrants are becoming a significant part of the American fabric, their experience has positive lessons for their country of origin as well.

The author is professor of economics,

University of California, Santa Cruz

Please Wait while comments are loading...



Indian women win maiden Asian Champions Trophy



Hillary Clinton 'most corrupt person ever' to run for presidency: Donald Trump



Pranab Mukherjee visit boosted trust, confidence: Nepal



Punjab National Bank Q2 net profit dips 11.5 per cent to Rs 549 crore



Minor sideway collision between two metro trains at depot



Mulayam Singh's 'Samdhi' Lalu Yadav plays 'peacemaker' between warring Akhilesh, Shivpal



Pakistan wicket keeper Kamran Akmal eyeing international return, says can offer a lot with bat



Delhi grapples with toxic winter air pollution



Tata Motors defends strategy for \$1500 Nano car



Sack me or insult me but I have done good job: Shivpal Yadav to CM Akhilesh Yadav



[Never wanted CM's job; would give blood, if asked to, says Shivpal Yadav at SP silver jubilee function](#)

EDITOR'S PICKS



[Hurricane Matthew in Haiti: Death toll rises to 339; Barack Obama declares emergency in Florida](#)



[What is Hurricane Matthew? Here are 5 facts on the strongest winds to hit US in almost 118 years](#)



[Used and abused, differently abled 3-time gold medalist now survives on Rs 300 pension](#)



[Dengue, Chikungunya, Malaria: Know the causes, symptoms, treatments and preventive measures](#)



[Here's how Chinese actor Xu Ting died after ditching chemotherapy over Chinese traditional medicine](#)



[Amazing photos of unexplored deep-sea volcano - a hotspot for mysterious life](#)



[Dalits are right: Enough is enough, says P Chidambaram](#)



[From when PM Narendra Modi 'snapped', and how Smriti Irani stole the 'Rakhi' limelight; an insider's account](#)

VIDEOS



[Netflix launches new horror series in LA](#)



[Free wifi: a wolf in sheeps clothing?](#)



[Delhi woman, teenager blame each other of rape in a hotel room](#)



[2016 Range Rover Discovery Sport Startech Exterior Interior Walk around 2016 Geneva Motor Show](#)



[The Express Group](#) | [The Indian Express](#) | [The Financial Express](#) | [Loksatta](#) | [Jansatta](#) | [inUth](#) | [Ramnath Goenka Awards](#)

[Privacy Policy](#) | [Advertise with Us](#) | [Contact Us](#) | [Feedback](#)

Copyright © The Indian Express [P] Ltd. All Rights Reserved.