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How Indians triumphed in America

America needs to consider what it might lose if it curbs the influx of clever, hard-working, entrepreneurial Indian immigrants

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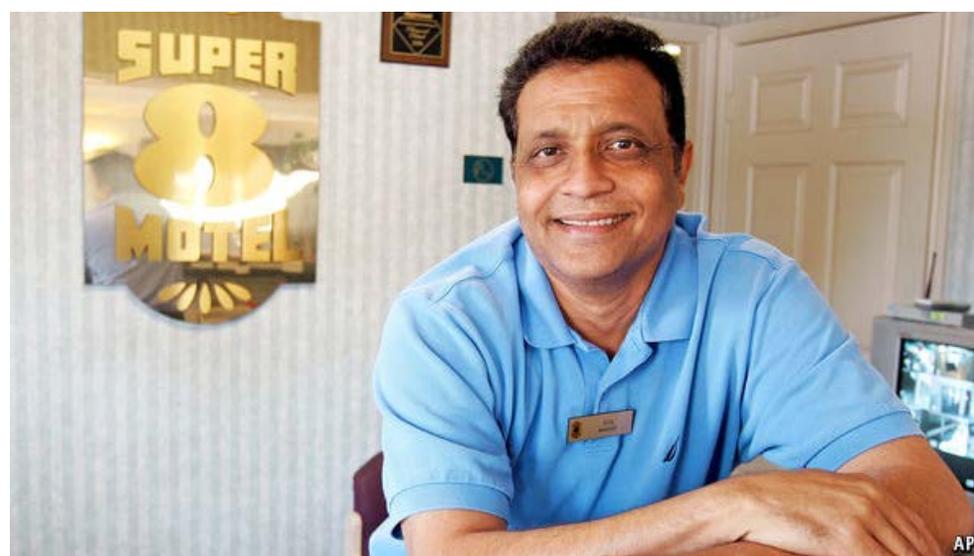
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The Other One Percent: Indians in America. By Sanjoy Chakravorty, Devesh Kapur and Nirvikar Singh. *OUP USA*; 355 pages; \$34.95 and £22.99.

IN THE early 20th century just a few hundred people emigrated from India to America each year and there were only about 5,000 folk of Indian heritage living in the United States. That was more than enough for some xenophobes. A government commission in 1910 concluded that Indians were “the most undesirable of all Asiatics” and that the citizens of America’s west coast were “unanimous in their desire for exclusion”.

Today Indian-born Americans number 2m and they are probably the most successful minority group in the country. Compared with all other big foreign-born groups, they are younger, richer and more likely to be married and supremely well educated. On the west coast they are a mighty force in Silicon Valley; well-off Indians cluster around New York, too. “The Other One Percent” is the first major study of how this transformation happened. Filled with crunchy analysis, it exudes authority on a hugely neglected subject.

India’s diaspora is vast, with 20m-30m people spread across the world from the Caribbean to Kenya. In colonial times many moved as labourers after Britain abolished

slavery in 1833, to build the east African railway, for example. In the 1970s a second wave of workers went to the Gulf during the oil boom. Perhaps the least well known flow of Indians abroad is the one to America. It picked up after 1965, when American immigration rules were relaxed, and surged after 1990. Three-quarters of the Indian-born population in America today arrived in the last 25 years.

Like all immigrant groups, Indians have found niches in America's vast economy. Half of all motels are owned by Indians, mainly Gujaratis. Punjabis dominate the franchises for 7-Eleven stores and Subway sandwiches in Los Angeles. The surge in Indians moving to America is also intimately linked to the rise of the technology industry. In the 1980s India loosened its rules on private colleges, leading to a large expansion in the pool of engineering and science graduates. Fear of the "Y2K" bug in the late 1990s served as a catalyst for them to engage with the global economy, with armies of Indian engineers working remotely from the subcontinent, or travelling to America on workers' visas, to make sure computers did not fail at the stroke of midnight on December 31st 1999.

Today a quarter or more of the Indian-born workforce is employed in the tech industry. In Silicon Valley neighbourhoods such as Fremont and Cupertino, people of Indian origin make up a fifth of the population. Some 10-20% of all tech start-ups have Indian founders; Indians have ascended to the heights of the biggest firms, too. Satya Nadella, Microsoft's boss, was born in Hyderabad. Sundar Pichai, who runs Google, the main division of the firm Alphabet, hails from Tamil Nadu.

The authors of "The Other One Percent" have been careful to avoid the trap of explaining Indians' success in America through their particular culture. Instead they argue it is "at its core a selection story". Indians cannot walk across a border to America. Because of the filters of caste, class and a fiercely competitive education system, only those with above average financial and human capital get the chance to move to America. Most have travelled either as students or holders of H1-B working visas, which require a university degree, and then acquire residency. This visa system acts as a further filter.

Despite the light that the authors' data-driven approach casts on this little-known story, there are some disadvantages. One is that it leaves little scope for exploring the dark side of India's diaspora. Readers keen to peek at the underbelly should buy "The Billionaire's Apprentice", by Anita Raghavan, which was published in 2013. It is a brilliant account of the insider-trading ring that led to the downfall of Rajat Gupta, the former boss of McKinsey, a consulting firm. Fittingly he was pursued by a much-admired prosecutor of Indian descent.

But the authors do touch on the most fascinating question of all: how this gilded corner of the diaspora influences India itself. Diplomatic relations between the two giant democracies have long been testy. But in other realms the bond has grown closer. The stars at the pinnacle of American society are celebrated back in India alongside rather un-American figures such as spin-bowling masters and Bollywood maidens. The American-educated children of India's governing elite probably helped push India to open up its economy in 1991. The tens of billions of dollars of income earned in America by India's big technology firms is crucial for its balance of payments. And a new generation of entrepreneurs who have led a boom in e-commerce in India in the last five years are almost all American educated, or have worked for American technology firms.

If, under its new president, America clamps down on immigration, the mutually beneficial movement of Indians will surely slow—they were the largest group of new immigrants in 2014, exceeding even arrivals from China and Mexico. That will be a loss, both to

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America and to India. In this new era of populism, "The Other One Percent" is a rigorous, fact-based analysis of how cross-border flows of brainy and ambitious people make the world a better place. Politicians and policymakers in both America and in India should make sure they read it.

This article appeared in the Books and arts section of the print edition under the headline A model minority



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