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Why do income disparities between high and low caste Indians persist even in western diaspora contexts?

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Abstract

Why do income disparities between high- and low-caste Indians persist in Western diaspora contexts? Conventional wisdom suggests that caste, an archaic system of Hindu social stratification, should not endure outside India or across generations, especially in Western societies where it is not formally recognised. Given increased awareness of caste's harmful effects and the absence of direct taste-based discrimination by Western employers (who often lack the knowledge to identify caste), we might expect these disparities to fade. Yet they persist, particularly among the Indian diaspora in the United States. I examine this puzzle by developing a new model that adapts existing taste-based and statistical discrimination frameworks to account for caste-specific contexts. I motivate the model with historical and theoretical insights to explain why caste-based economic inequalities endure across borders and generations, and then explain how I could test this model empirically and its implications for policy. The persistence of these disparities highlights the subtle mechanisms that perpetuate caste inequality in migration contexts.

"If Hindus migrate to other regions on earth, Caste would become a world problem."
Dr. B.R. Ambedkar,
Statesman, Civil Rights Leader,
Author of India's Constitution, LSE alumnus, 1916

1 Introduction

The persistence of caste-based income disparities among Indian immigrants in Western societies presents a puzzle. 30 percent of Dalits (lower-caste) in the U.S. are still making less that 24,999 dollars a year, compared to only 10 percent of Brahmins (upper-caste). Moreover upper-caste South Asians still own more land and property than their lower-caste counterparts[1] [Zwick-Maitreyi et al., 2018]

	Brahmin	Kshatriya	Vaishya	Shudra	Dalit
$250,000 or more	5%	4%	8%	5%	2%
$100,000 to $249,999	35%	33%	18%	26%	25%
$50,000 to 99,000	25%	25%	22%	26%	24%
$25,000 to $49,999	22%	17%	24%	17%	17%
Less than $24,999	13%	20%	29%	26%	32%

Figure 1: Household Incomes of South Asian Immigrants by Caste [Zwick-Maitreyi et al., 2018]

Studies of Indian-origin technology executives show significant upper-caste over representation, with estimates suggesting between 67-90 percent coming from traditionally privileged castes [Subramanian, 2015, Mosse, 2018]. This challenges conventional ideas that caste (a system of Hindu social stratification) should not endure outside India or across generations, especially in Western societies where it is not formally recognised. These patterns persist despite caste being largely unobservable to Western employers, suggesting that standard taste-based discrimination or statistical discrimination models cannot fully explain the phenomenon.

I develops an integrated model that combines elements from taste-based discrimination [Becker, 1957], statistical discrimination [Phelps, 1972], and networks [Bowles et al., 2014, Coate and Loury, 1993] to explain how historical caste advantages perpetuate economic inequality in the U.S. I implement a bifurcated structure of employer discrimination which considers how Indian-origin managers who can often identify caste markers may exhibit taste-based preferences while non-Indian managers rely on productivity signals that correlate with caste. I am to extend existing discrimination models to account for "invisible" group characteristics, and also incorporate historical advantages and homophilic network effects that create self-reinforcing patterns of advantage.

Section 2 reviews the limitations of standard economic models of discrimination when applied to caste in diaspora contexts. Section 3 provides historical context for understanding caste advantages established during colonial rule and their manifestation in elite educational institutions. Section 4 examines bias from Indian employers and network formation in diaspora communities. Section 5 presents the new proposed model of caste discrimination. Section 6 offers ideas for empirical approaches to test the model, and Section 7 discusses policy implications and Section 8 concludes.

[1]It is important to note that this is from The Equality Labs survey in 2018 with roughly 1500 respondents, disseminated over 8 months.

2 Why standard discrimination models fail in this context?

Economic models of discrimination fall into two broad categories: taste-based discrimination [Becker, 1957] and statistical discrimination [Phelps, 1972, Arrow, 1998, Coate and Loury, 1993]. While these models provide insights into labour market disparities, they face limitations when applied to caste discrimination in diaspora contexts, particularly in American high-skill labour markets.

Becker [1957] predicts wage differentials when employers hold discriminatory preferences and are willing to pay a premium to avoid hiring members of a disfavoured group. This model has limitations in the caste context:

- Western employers cannot directly observe caste, unlike race or gender, making direct taste-based discrimination by Western employers implausible as the primary mechanism.
- Becker's model predicts that profit-maximising firms should eventually drive out discriminating employers through competition, eliminating wage differentials over time, a prediction contradicted by persistent caste disparities.

Statistical discrimination models [Phelps, 1972, Arrow, 1998] say that employers use group membership as information about unobserved productivity, leading to differential treatment of equally qualified individuals. However:

- Standard models treat productivity signal differences as exogenous, failing to account for how colonial advantages, educational selectivity, and migration patterns create systematic differences in signal quality and interpretation.
- Traditional models ignore how caste-homophilic networks shape opportunity access and referral patterns; mechanisms that my analysis of marriage patterns and social sorting identify.

Endogenous investment models like Coate and Loury [1993] add self-fulfilling equilibria but still assume employers can identify groups and fail to capture the bifurcated visibility of caste (visible to Indian managers, invisible to others) that characterises diaspora contexts.

To address these limitations, I develop an integrated model that combines elements from taste-based discrimination, statistical discrimination, and network-based self-fulfilling equilibria. The model, developed in Section 5, explains why economic disparities between high and low-caste Indians persist in Western contexts despite the absence of explicit discrimination by Western employers. It builds on the historical advantages detailed in Section 3 and the caste bias and network patterns explored in Section 4, offering a more comprehensive framework for understanding caste inequality's persistence in the U.S.

3 Historical Advantages

An essential aspect of the model is the historical advantages that upper-caste Indians possess, and I theorise how these translate into current economic benefits for Indian diaspora. I start with how the caste system developed occupational rigidity, and then explain how upper castes' economic status was enhanced under British colonial rule. I then explain how these wealth benefits translated into upper-caste Indians disproportionately accessing elite education, and therefore disproportionately accessing the global high-skilled labour market.

3.1 The Origins of Caste

The caste system, or *Varna*, traditionally classified people into four main hierarchical categories: *Brahmins* (priests and scholars), *Kshatriyas* (rulers and warriors), *Vaishyas* (traders, merchants, and farmers), and *Shudras* (laborers and servants). Outside of this ranking was a fifth group: the *Dalits*, who were assigned sanitation tasks considered impure and were thus labelled "untouchables" [Deshpande, 2010]. Around 100 C.E the *Manusmriti* was composed, a legal and moral text that played a crucial role in formalising caste as a system based on birth rather than occupation [Olivelle et al., 2004]. This clearly benefited the upper castes, whose descendants inherited not only their social status but also the associated privileges, reinforcing the system's persistence over time. Caste is fundamentally linked to occupation, rights, and access to knowledge. Since occupation often determines income and wealth, caste becomes a key axis of economic inequality. It is not just a form of social segregation, but a rigid barrier to intergenerational social mobility.

3.2 British Colonial Rule

The British colonial administration significantly reinforced the caste system in India by formalising and institutionalising caste identities. As Waligora [2004] argues, British exploited caste for their 'divide and conquer' ruling strategy. British divide-and-rule policies hardened caste boundaries, reducing the space for inter-caste cooperation and mobility. Colonial courts relied on ancient religious texts such as the *Manusmriti* to dispense justice. However, these laws were written in Sanskrit,and they therefore had to rely on Brahmin scholars to interpret legal texts, giving the Brahmin class power over the administration of justice [Waligora, 2004]. The British influenced by Brahmin informants ended up creating a self-fulfilling prophecy of caste hierarchy and social stratification with the full power of the colonial state.

Administrative jobs and senior appointments were given almost exclusively to upper castes [Bayly, 2001]. Upper castes already had literacy advantages, had experience in administrative roles under earlier regimes, and were seen by British officials as possessing cultural similarities. British educational policies similarly privileged the upper castes as outlined in Macaulay [2015]. Traditional Indian education systems were defunded, and new English-language institutions received government support. Upper-caste families, already advantaged by their historical access to literacy, were best positioned to benefit from this shift and the high cost of English education and its urban concentration ensured that primarily upper-caste students enrolled. The *zamindari* system appointed landlords (typically upper-caste individuals) as tax collectors with hereditary rights which further deepened wealth inequality [Raychaudhuri et al., 1983].

The cumulative result of these policies was the institutionalisation of a socioeconomic order that heavily favoured upper castes. Educational and occupational advantages translated into access to modern professions, while property ownership and social networks ensured intergenerational wealth and status. Upper castes were overrepresented in government, academia, and other influential institutions and shaped national narratives about history, culture, and identity which persist into inequalities today.

3.3 Reservations and Elite Education

Reservations aim to level the educational playing field, but upper castes remain disproportionately represented in India's elite institutions (IITs/Indian Institute of Technology) and abroad. As these institutions produce many of the country's top professionals who go on to work in the U.S. *tech hubs*, this has contributed to a persistent upper-caste dominance in Western high-skilled labour markets.

Following Indian independence, Article 46 of the Indian Constitution mandated the state to promote the educational and economic interests of the Scheduled Castes (SCs), Scheduled Tribes (STs), and later, Other Backward Classes (OBCs), leading to extensive reservations in universities and public employment [Munshi, 2019]. These reservations were introduced to address historical disparities, but provoked debate around the idea that reservations compromise merit. However, empirical evidence challenges this view and disadvantaged students admitted through preferences do not underperform relative to their entrance exam ranks [Bagde et al., 2016].

Elite institutions such as the IITs, were founded on a vision of technological modernity, creating a culture that was exempt from reservations at inception and committed to the ideal of a "casteless meritocracy" [Subramanian, 2015]. However, as Subramanian [2015] argues, the very notion of merit within the IITs has historically been constructed through access to educational and cultural capital, assets disproportionately available to upper-caste families. While reservations for SCs and STs were introduced in the IITs in 1973 (and for OBCs in 2006), the "general category" has remained heavily dominated by upper castes.

This dynamic has global implications., where two-thirds of IIT graduates migrated to the United States, many entering elite positions in Silicon Valley and American academia [Subramanian, 2015]. Alumni like Sundar Pichai (Google), Arvind Krishna (IBM), and Vinod Khosla (Sun Microsystems) are widely celebrated as examples of Indian excellence abroad. Moreover, the educational and capital assets enjoyed by upper-caste Indians from the British colonial rule mean that they are more likely to belong to English-speaking families and be concentrated in English-medium schools in urban areas [Bayly, 2001]. These advantages translate into higher likelihood of studying abroad and navigating Western academic systems [Kapur et al., 2017], increasing the proportion of upper-caste Indians in foreign elite institutions.

This shows how upper-caste educational dominance transforms into global labour market advantage, particularly in high-tech sectors. What appears as merit-based success also represents historical privilege to globalise upper-caste over representation in knowledge economies worldwide.

4 First Mover Advantage by the Indian Employer

Upper-caste individuals are disproportionately represented in elite Indian institutions such as the IITs and in high-skilled occupations, making them more likely to migrate to the U.S. and other Western countries and to obtain H-1B visas. This results in a structural advantage, whereby upper-caste immigrants entered host countries with greater human capital and social capital than their lower-caste counterparts. I theorise that consequently, they are more likely to occupy positions of influence, including roles in recruitment and hiring, where they may exercise caste-based discrimination. I also examine how caste-based social networks through marriage and sorting reinforce these patterns upper-caste individuals are more likely to refer others from their own caste background.

This mechanism is formalised in the model, which distinguishes between two types of employers: those for whom caste is visible (Indian-origin) and those for whom caste is invisible. These dynamics help explain why discrimination against lower-caste individuals is more pronounced when the hiring manager is Indian:

- due to taste-based caste discrimination, or
- through network-based referrals shaped by caste-based social sorting and marital endogamy.

4.1 Caste Discrimination by the Indian Employer

The 2020 California Department of Fair Employment and Housing lawsuit against Cisco Systems provided documented evidence of explicit caste discrimination, where an upper-caste manager allegedly discriminated against a Dalit engineer after discovering his caste background [CBS San Francisco, 2020]. This case highlighted how caste identity, while invisible to most Western employers, remains within intra-community professional relationships. Moreover, the Equality Labs survey found that 67 percent of Dalits reported experiencing workplace discrimination in American contexts, with discriminatory practices often originating from South Asian colleagues and supervisors [Zwick-Maitreyi et al., 2018].

Caste discrimination in Silicon Valley was highlighted in a landmark statement issued by 30 Dalit women engineers in 2020, documenting systemic barriers they faced in American technology companies [Washington Post, 2020]. Their testimony revealed how upper-caste managers frequently engaged in discriminatory practices, including exclusion from opportunities, derogatory comments about reservation policies, and questioning of professional credentials. This statement provided crucial evidence that caste bias persists even Western professional environments, particularly when managerial positions are dominated by upper-caste Indians.

4.2 Marriage, Social Networks and Sorting

Caste remains a primary axis of marital sorting in diaspora communities through both formal and informal mechanisms. Matrimonial platforms like BharatMatrimony.com and DilMil maintain explicit caste filters (e.g., "Brahmin" or "Jatt" categories), facilitating endogamy [Reddit, 2022]. Badrinathan et al. [2021] found

that approximately two-thirds of Indian-Americans consider it important to marry someone of the same caste background.

Group inequality can emerge and persist even under conditions of equal labour market opportunity when two critical mechanisms operate simultaneously: network segregation and human capital externalities [Ghatak, 2025, Bowles et al., 2014]. The Bowles-Loury-Sethi model [Bowles et al., 2014] demonstrates that group inequality becomes self-reinforcing when:

- Social networks exhibit sufficient segregation (high η)
- Human capital accumulation costs are significantly affected by peer networks (high β)

Both conditions are strongly likely in the Indian diaspora case with regards to caste. Marriage-based caste endogamy creates highly segregated social networks. Simultaneously, the strength of peer effects (β) is amplified by cultural factors and institutional knowledge sharing that occurs predominantly within caste networks. As one engineer noted, "Dominant caste networks control access to jobs through referrals and create hostile environments for those they identify as lower caste" [Washington Post, 2020]. This supports my point that the sorting and segregation of caste groups within Indian diaspora tangibly contribute to homophilic hiring practices by upper-caste, Indian origin employers.

5 A Proposed Model of Caste-Based Wage Disparities in Western Diaspora Contexts

To explain and formalise persistent income disparities between upper and lower caste individuals in Western contexts where caste is not directly observable to most employers, I develop an integrated model using elements from Phelps [1972], Becker [1957], Coate and Loury [1993] to captures three key mechanisms identified: differential signal clarity, selective taste-based discrimination, and network effects.

5.1 Setup

The model economy consists of firms and workers. Workers belong to one of two identifiable caste groups, $j \in \{H, L\}$, representing high and low caste, respectively. Workers have exogenously determined skill levels, and firms make wage offers based on signals of worker productivity.

I introduce two key parameters that capture the historical advantages documented in our analysis:

- k_j: Cultural capital parameter for group j, representing educational advantages, linguistic capital, and generational wealth.
- n_j: Representation in management/leadership positions, reflecting the first-mover advantage of upper castes in Western migration

These parameters are informed by the historical processes we've examined, including colonial educational privilege, over representation in elite institutions like IITs, and early migration waves to Western countries that established upper-caste networks in professional environments. [Anthropic, 2025]

Worker i from group j has true productivity a_i, distributed normally:

$$a_i \sim N(\mu, \sigma_a^2) \tag{1}$$

We assume identical mean productivity across groups to focus on discrimination mechanisms rather than inherent differences. Firms cannot directly observe productivity but receive a noisy signal:

$$\theta_i = a_i + \epsilon_{ij} \tag{2}$$

where $\epsilon_{ij} \sim N(0, \sigma_{\epsilon j}^2(k_j))$ represents signal noise.

Assumption 1. *Signal variance is decreasing in cultural capital:* $\frac{\partial \sigma_{\epsilon j}^2}{\partial k_j} < 0$.

This assumption captures how historical advantages lead to clearer productivity signals, through elite education and familiarity with English.

5.2 Statistical Discrimination Component

Following Phelps (1972), employers update beliefs about worker productivity using Bayes' rule:

$$E(a_i|\theta_i, j) = \beta_j \mu + (1 - \beta_j)\theta_i \tag{3}$$

where $\beta_j = \frac{\sigma^2_{\epsilon j}(k_j)}{\sigma^2_a + \sigma^2_{\epsilon j}(k_j)}$ represents the weight placed on the group mean versus individual signal.

If $k_H > k_L$ (reflecting higher cultural capital for upper castes), then $\sigma^2_{\epsilon H} < \sigma^2_{\epsilon L}$ and $\beta_H < \beta_L$. This implies that high-caste workers with above-average signals receive higher wage offers than equivalent low-caste workers. From Assumption 1, we know $\frac{\partial \sigma^2_{\epsilon j}}{\partial k_j} < 0$, therefore $k_H > k_L \implies \sigma^2_{\epsilon H} < \sigma^2_{\epsilon L}$. As a result, $\beta_H = \frac{\sigma^2_{\epsilon H}}{\sigma^2_a + \sigma^2_{\epsilon H}} < \beta_L = \frac{\sigma^2_{\epsilon L}}{\sigma^2_a + \sigma^2_{\epsilon L}}$. For a worker with signal $\theta_i > \mu$, the expected productivity $E(a_i|\theta_i, j)$ is higher for group H than group L. This mechanism explains how even without explicit discrimination by Western employers, differential clarity of productivity signals can lead to wage disparities.

5.3 Taste-Based Discrimination Component

Using theory and evidence that Indian-origin managers sometimes discriminate based on caste, I adapt Becker's (1957) model:

Assumption 2. *Firms have a proportion α_i of caste-aware managers (primarily Indian-origin) who apply a discrimination coefficient $d_j(k_j, n_j)$ to workers from group j.*

The discrimination coefficient satisfies:

$$\frac{\partial d_j}{\partial k_j} < 0 \quad \text{and} \quad \frac{\partial d_j}{\partial n_j} < 0 \tag{4}$$

This captures how cultural similarity and in-group favoritism affect hiring, evaluations and internal work assignments.

5.4 Network Effects

$$\pi^e_j = \pi^e_j(n_j) \quad \text{where} \quad \frac{\partial \pi^e_j}{\partial n_j} > 0 \text{ for same-caste managers} \tag{5}$$

This captures how caste-based networks affect employers' prior beliefs about worker quality, reflecting the homophilic networks we documented in our analysis of caste-based professional interactions.

5.5 Wage Determination and Equilibrium

The wage offer integrates all three mechanisms:

$$w_{ij} = E(a_i|\theta_i, j) - \alpha_i \cdot d_j(k_j, n_j) \tag{6}$$

Substituting the expected productivity:

$$w_{ij} = \beta_j(k_j)\mu + (1 - \beta_j(k_j))\theta_i - \alpha_i \cdot d_j(k_j, n_j) \tag{7}$$

This equation shows how wages depend on signal clarity (through β_j), taste-based preferences (through d_j), and network effects (through n_j).

In equilibrium, the expected wage differential between equally productive workers from different caste groups is:

$$E[w_{iH} - w_{iL}|\theta_i] = (\beta_L - \beta_H)(\mu - \theta_i) + \alpha_i \cdot [d_L(k_L, n_L) - d_H(k_H, n_H)] \tag{8}$$

This shows that wage differentials between high and low caste workers persist even when:

1. Western employers cannot observe caste directly ($\alpha_i = 0$ for non-Indian managers)
2. Mean productivity is identical across groups ($\mu_H = \mu_L = \mu$)
3. Workers have identical true productivity ($a_H = a_L$)

For signals above the mean ($\theta_i > \mu$), the first term $(\beta_L - \beta_H)(\mu - \theta_i) > 0$ since $\beta_L > \beta_H$ and $(\mu - \theta_i) < 0$. For Indian managers ($\alpha_i > 0$), the second term is also positive since $d_L > d_H$. Thus, $E[w_{iH} - w_{iL}|\theta_i] > 0$.

The wage gap is larger when:

1. The difference in cultural capital ($k_H - k_L$) is greater
2. The proportion of Indian-origin managers (α_i) is higher
3. The signal is further from the mean (stronger for high-performing workers)

This formalises the historical and evidence motivated theories above of why income disparities are most pronounced in sectors with high concentrations of Indian managers and for high-performing worker.

6 Empirical Approach

Inspired by the methodological approach pioneered by Bertrand and Mullainathan [2004] in their paper "Are Emily and Greg More Employable than Lakisha and Jamal?", I detail the design for a potential resume audit study to isolate caste-based discrimination mechanisms in Western professional contexts. This would help to address the unique challenges of studying discrimination based on characteristics that are selectively visible across evaluators.

Unlike race or gender, caste is signalled through more subtle identifiers that are primarily recognisable to other Indians, particularly surnames, regional associations, undergraduate institutions, and cultural affiliations. For example, surnames like "Sharma," "Iyer," or "Mukherjee" are widely recognised as Brahmin (upper-caste) within Indian communities, while surnames like "Paswan," "Valmiki," or "Parmar" signal Dalit (lower-caste) identity [Thorat and Attewell, 2007].

Factor	**Level 1**	**Level 2**
Caste Signal	Upper caste surnames and associations	Lower caste surnames and associations
Information Level	Standard resume	Enhanced resume with explicit productivity metrics
Firm Type	High concentration of Indian managers	Low concentration of Indian managers

This 2×2×2 design above leads to eight experimental conditions, with each job application receiving four carefully matched resumes that vary only in the experimentally manipulated variables. For each job application, we can send four matched resumes differing only in the experimentally manipulated variables. All resumes will feature candidates with comparable qualifications, including degrees from similar-tier institutions, equivalent work experience, and comparable skill sets. The enhanced information condition includes specific, quantifiable productivity indicators to test whether explicit productivity information mitigates statistical discrimination.

It would be practical to target job openings across three metropolitan areas with substantial Indian diaspora populations: Bay Area (California), Seattle (Washington), and Edison-New Brunswick (New Jersey). Job applications should focus on technology, finance, and management consulting sectors, with positions ranging from entry-level to middle management. Using business databases and LinkedIn data, we can pre-classify companies based on the proportion of Indian-origin individuals in management positions.

6.1 Implementation and Data

Some ways to eliminate bias in implementation:

- Generate custom resumes using templates validated through pre-testing with HR professionals to ensure realism and comparability.
- Non-experimental characteristics (education quality, experience duration, skill sets) to be carefully matched across all four resume versions sent to each employer, with only the experimental variables differing.

- Treatment conditions assigned using randomisation to ensure balance across job types, industries, and geographic regions.
- Each application utilises unique email addresses and phone numbers to accurately track employer responses without cross-contamination.
- All employer responses systematically logged, including response timing, communication mode, interview requests, follow-up questions, and any salary information provided.

6.2 Analysis Plan

Primary outcome measures will include:

1. **Callback rate**: The proportion of applications receiving positive responses (interview requests or expressions of interest)
2. **Response time**: Days elapsed between application submission and employer response
3. **Initial salary indication**: Salary ranges offered

This design tests three predictions derived from the theoretical model:

1. Lower callback rates for lower-caste applicants across conditions
2. A larger caste gap in the standard resume condition compared to the enhanced information condition
3. More pronounced discrimination in firms with higher concentrations of Indian managers

Finding evidence consistent with these patterns would support the theoretical framework emphasising signal clarity and selective discrimination by caste-aware evaluators as key mechanisms perpetuating caste disparities in Western contexts.

7 Policy Implications

The persistence of caste-based economic disparities in Western contexts has little policy relevance with regards to marriage and social networks pathways. Since they primarily operate through private social choices that lie beyond the reach of interventions, this can mainly be tackled through cultural and mindset shifts over generations. However in the context of hiring, this implies that Western organisations should explicitly include caste as a protected category in their DEI policies.

Apple became one of the first major technology companies to explicitly add caste to its employee code of conduct in 2022 [TechGig, 2022]. This decision came after two years of internal advocacy from employees and external pressure from civil rights organisations. Apple's policy includes specific training for managers on recognising caste markers and prohibits discrimination in hiring, promotion, and workplace treatment. Similarly, Cisco Systems, following the high-profile discrimination lawsuit, implemented caste-sensitive workplace policies that include confidential reporting mechanisms and standardised evaluation criteria [Ramberran, 2021]. These implementations, if adopted across corporations, would be beneficial to ensure caste-based complaints being formally addressed through established channels rather than remaining invisible.

California State University (the largest public university system in the United State officially added caste to its anti-discrimination policy in January 2022, affecting over 485,000 students across 23 campuses [Sharma, 2022]. Harvard University, Brown University, and Brandeis University have similarly updated their policies. In February 2023, Seattle became the first U.S. city to explicitly ban caste discrimination, adding it as a category to the city's anti-discrimination laws [Matza, 2023]. This serves as a good template for other jurisdictions incorporate, to ensure caste is recognised at an institutional level.

Our model highlights taste-based discrimination by Indian-origin managers as a key mechanism perpetuating disparities. Diverse interview panels can reduce bias in hiring decisions by 20-40 percent across multiple forms of discrimination. Organisations could implement policies requiring diverse ethnic representation on hiring panels when evaluating South Asian candidates, particularly ensuring that panels are not dominated by a single caste group. demonstrates that such panel diversity specifically reduces the impact of caste bias by diluting the influence of potentially discriminatory evaluators.

Unlike race and gender, caste is not tracked in census data or discrimination reporting. It would be beneficial to construct methodologies for confidential, voluntary caste identification that balance the need for measurement with privacy and stigma concerns. Considering how small the Equity Labs Survey was, administrative data would be beneficial to establish baselines against which progress can be measured.

8 Conclusion

My theory and model explain the persistence of caste-based income disparities among Indian immigrants in Western contexts through three key mechanisms:

1. differential signal clarity, where upper-caste individuals benefit from clearer productivity signals stemming from educational and cultural capital advantages gained through history;
2. selective taste-based discrimination by Indian-origin managers who can identify caste markers;
3. homophilic network effects reinforced through marriage and social sorting.

This framework explains several empirical puzzles: why caste disparities persist despite being largely invisible to Western employers; why discrimination is more pronounced in technology sectors; and why wage gaps persist across generations despite increasing awareness of caste inequalities. The proposed resume audit study offers an approach to empirically test these mechanisms in contemporary labour markets. The policy recommendations outlined provide some concrete steps that companies, educational institutions, government agencies, and community organisations can take to address caste-based disparities. These interventions target different aspects of the discrimination mechanisms identified in the model and offer some easy to implement approaches to promoting greater equality.

It is important to note that this contains some limitations. The empirical evidence on caste disparities in Western contexts remains limited. The Equality Labs survey, while valuable, relied on convenience sampling with approximately 1,500 respondents and may not be fully representative of the Indian diaspora population. My model simplifies caste into binary categories (high/low), whereas the actual system comprises numerous complex hierarchical relationships. This simplification, while useful, hides important variations in experiences and outcomes within broad caste groupings. I also don't fully account for how caste intersects with other social identities such as gender, religion, and regional origin, which may amplify or mitigate caste effects in certain contexts.

Selection into migration may differ across caste groups, potentially contributing to observed disparities through mechanisms other than discrimination. The empirical approach faces challenges in isolating caste discrimination from correlated factors like regional origin or linguistic background that may also affect economic outcomes. The recommended policy interventions lack empirical validation, and it would be interesting to evaluate their effectiveness from current implementations.

The persistence of caste-based economic disparities in Western contexts is a powerful reminder that social hierarchies can transcend geographic boundaries and formal institutional structures. Addressing these inequalities requires practical interventions that target the specific mechanisms through which they are reproduced, but also a shift in mindset and culture.

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