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Mississippi Myth and Masala

As is fairly well-known by now, the hotel industry in the United States, particularly the budget hotels segment, is dominated by people of Indian origin. Some 60 per cent of all budget hotels, typically called motels, are owned by Indians. Their predominance has led to the term ‘‘Potel Motels’’ because they are usually run by Gujaratis with the last name Patel.

Over the last decade, this ‘‘motelly’’ crew has climbed up the value chain. They have begun taking over more upscale properties such as Marriotts, Hiltons and Holiday Inns. It is the culmination of a long, hard journey that began in the early 1970s.

That was when the then Ugandan dictator Idi Amin turfed out some 70,000 Indians, mostly Gujaratis. Many of them went to England and rebuilt their lives. Some moved on to the United States and bought franchises such as Ramada, Days Inn, and Econo Lodge. Their story was elegantly captured in the movie Mississippi Masala by Mira Nair. But much has happened in the nearly 15 years since the film was made.

Through sheer enterprise and industry, the desi moteliers have expanded phenomenally. The hotel business suited their family-oriented culture. Siblings and cousins brought in from India helped run the place and keep down costs. The Patels helped Parikhs and the Parikhs helped Shahs.

Today, Indian-origin immigrants own one-third of the 53,000 hotels in the United States, worth a staggering \$37 billion. There is much this enterprising group can do for India’s hospitality industry. But from all accounts, they have been defeated by the Indian bureaucracy and poor infrastructure. So, many of them are piling up properties in the United States itself.

Pennsylvania-based Hersha Hospitality Trust was founded in 1984 by Hasu

Shah when he bought a rundown Shipoke Inn. Today, Hersha is a publicly-traded company with 18 hotels, including a Hampton Inn and Residence Inn. Ramesh Patel arrived even earlier in 1970 and invested in a 30-room hotel in Tempe, Arizona. Today, with three brothers-in-law and a friend, he owns three Days Inns and a Best Western.

The business is so lucrative that even engineers and doctors are entering the business. Recently, an Indian-American surgeon from Louisiana threw in a bid to buy a local Holiday Inn wrecked in a storm. Local politicians backed him, glad to retain 40 jobs, not to speak of tax collections on 173 rooms.

Such success does not come without pitfalls. In one extreme case last month, a motel owner in Washington State was killed by armed robbers. Muggings and hold-ups are part of the business, as is racial discrimination. There have been instances of competing American motel owners trying to upstage the enterprising Indians by putting up neon notices announcing that the place is “American owned.”

If you think it’s only Indians at the receiving end of racial discrimination, try again. In a case that attracted national attention, a motel owner in Florida was recently charged with racist practices after he reportedly kept separate rooms for African-Americans and refused to allow them access to the swimming pool.

The Poteliers say it a bad rap against a community that is itself a victim of discrimination. “Success begets enemies,” says Mike Patel, a leading light of the Asian-American Hotel Owners Association (AAHOA) that was formed in response to discrimination by white Americans. AAHOA also helped form the African-American Hotel Owners Association and works closely with the Jewish business owners. So how can Indians be racist?

Gee, your guess is as good as mine.
