Marriage, Fertility, and Cultural Integration in Italy

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Abstract:

We study cultural integration as an equilibrium of marital matching and intrahousehold decisions regarding fertility and cultural socialization. Structural estimates reveal strong demand to preserve cultural identity on the part of immigrants and little acceptance of the immigrants' cultural diversity of natives. These demands depend crucially and interestingly on parental education. Nonetheless, we simulate substantial, though heterogeneous, integration rates across immigrant groups, 75% on average over one generation. Counterfactuals show how more accepting preferences of the natives would lead to slower cultural integration, while a reduction in economic incentives to immigrants would increase it. Finally, we evaluate a policy enhancing social welfare by strengthening the ethnic network of immigrants.