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Identity and Labor Market Outcomes of Immigrants

Maria Rosaria Carillo [a]
Vincenzo Lombardo [a,b]
Tiziana Venittelli [c,b]

[a] Università di Napoli Parthenope.
[b] Global Labor Organization.
[c] Università di Napoli Federico II.

IDENTITY AND LABOR MARKET OUTCOMES OF IMMIGRANTS[*]

Maria Rosaria Carillo,[†] Vincenzo Lombardo,[‡] Tiziana Venittelli[§]

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Abstract

This paper explores the relationship between social identity and labor market outcomes of immigrants. Using survey data from Italy, we provide robust evidence that immigrants with stronger feelings of belonging to the societies of both the host and home country have higher employment rates, while those who exclusively identify with the host country culture do not have a net occupational advantage. Analysis of the potential mechanisms suggests that, although simultaneous identification with host and home country groups can be costly, the positive effect of multiple social identities is especially triggered by the enlarged information transmission and in-group favoritism that identification with, and membership of, extended communities ensure.

Keywords: Migration, Integration, Ethnic identity, Acculturation, Culture, Labor market

JEL: F22, J15, J61, Z1

1 Introduction

Migrating is a major life-changer associated with the (re-)definition of individuals' social identity and the reconsideration of their assignment to social groups. When settling in the host country, immigrants choose and follow different identification strategies, accepting or rejecting the cultural norms and values of the societies of the host and home country. A long tradition in economics (Chiswick, 1978) conceives the process of identity formation as one-dimensional in nature and maintains that immigrants' economic performance is mainly influenced by their degree of identification and assimilation to the cultural norms and values of the majority group of the host country.[1] Recently, however, it has been acknowledged that the formation of social identity – the portion of a person's sense of self shaped by membership in, and interaction with, relevant social groups (Tajfel and Turner, 1986) – is a much more complex and multi-dimensional phenomenon that also involves attitudes toward the places of origin (Akerlof and Kranton, 2000; Algan et al., 2012; Constant and Zimmermann, 2008; Constant et al., 2009). Yet the main message of the literature is that the labor market performance of immigrants is mostly shaped by the attachment to the host country, while a strong ethnic identity has, if any, a detrimental impact.[2]

This paper challenges this view, exploiting unique survey data on integration and labor market outcomes of immigrants living in more than two hundred municipalities in Italy and arriving from more than one hundred countries of origin.[3] Using self-reported measures of feelings of belonging to both origin and destination countries, we provide significant evidence that identification not only with the host but also with the home society boosts the economic performance of the immigrants. More specifically, our findings indicate that immigrants who identify with the culture of the host country majority group are more likely to be employed than those who do not, and that immigrants with a strong attachment to their country of origin culture have a higher employment probability with respect to those who do not feel that they belong to their ethnic group. These effects become particularly striking when we take into account the possibility that migrants may adopt multiple social identities shaped by concurrent attitudes toward both the place of destination and origin. Our main results emphasize, in particular, that immigrants simultaneously identifying with both home and host country groups have the highest probability of employment, while those who exclusively identify with the

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[1]Part of the literature relates the economic performance of immigrants only to their degree of assimilation captured by a single specific characteristic such as years spent in the place of destination (Abramitzky et al., 2014), intermarriage rates (Meng and Gregory, 2005), use of first names more commonly used in the place of destination (Biavaschi et al., 2017), and language proficiency (Bleakley and Chin, 2004).

[2]See, for instance, Battu et al. (2007); Battu and Zenou (2010); Bisin et al. (2011a, 2016); Casey and Dustmann (2010); Islam and Raschky (2015); Zimmermann (2007); Zimmermann et al. (2007, 2008).

[3]Existing evidence for Italy is quite scant. Some authors focused on the process of identity formation and cultural integration (Adda et al., 2019; Bisin and Tura, 2019; Carillo and Dessy, 2012), others on the economic assimilation of immigrants (Faini et al., 2009; Mancinelli et al., 2009). Few explore the relation between integration and socio-economic outcomes of immigrants in Italy (Dustmann et al., 2017; Guriev et al., 2018; Pinotti, 2017).

host country culture do not have a net occupational advantage.

Classical theories of social identity suggest, indeed, that feelings of belonging to the countries of destination and origin do not form and evolve autonomously, thus shaping the immigrants' labor market outcomes independently (Tajfel, 1978; Tajfel and Turner, 1979). Instead, identities are intertwined and evolve jointly to form a super-ordinate social identity that eventually influences economic performance (Amiot et al., 2007; Gaertner and Dovidio, 2000). Thus, immigrants would not face a simply binary choice between separate home and host identities but, in choosing to accept or reject the culture of the destination country, they would also simultaneously choose to preserve or abandon that of their country of origin, and viceversa, such that simultaneous identification with both groups also becomes possible. For instance, studies from cross-cultural psychology, especially so-called acculturation theory (Berry, 1980, 1997; Berry et al., 2006; Phinney, 1990; Phinney et al., 2001), posit that immigrants can be partitioned into four identity states (*acculturation strategies*) depending on how they relate to both dominant and original ethnic groups: *integration*, *assimilation*, *separation* and *marginalization*. Integrated immigrants are those who strongly identify with both their country of origin and destination. Assimilated ones, instead, strongly identify with the cultural norms and values of the destination country, but abandon those of their country of origin. At the other end of the spectrum, there are the separated who retain a strong sense of identification only with their original ethnic group, while rejecting the majority culture. Finally, marginalized individuals identify neither with the majority nor with the minority cultures.

Building on these ideas, we empirically explore the labor market impact of the choice of the various identities and of their resulting acculturation strategies. Our empirical strategy draws on a large survey carried out by the Foundation for Initiatives and Studies on Multi-Ethnicity (ISMU) which, uncommonly, records appropriate information about the feelings of belonging to both the destination and origin countries of about 12000 immigrants living in Italy between 2008 and 2009. Although we find some evidence that simultaneous identification with both host and home country groups is costly and undermines the employment prospects of immigrants, our results show that the benefits generated by the interaction with different ethnicities are sufficiently great that integrated immigrants are more likely to be employed than those who are assimilated, separated and marginalized. Theoretically, acquiring and preserving multiple social identities may dampen the probability of employment of integrated immigrants because they need to employ more monetary, time and human capital resources to interact and identify with different ethnic groups (Bisin et al., 2011b; Lazear, 1999; Konya, 2005). Moreover, by nurturing the identity of a social group different from their original one, integrated individuals may be deemed betrayers of their original ethnic identity and hence be subject to discrimination and social exclusion from their home country community which further threatens

their employment chances.[4] However, identification with, and membership of, both national and ethnic communities provide access to extended networks through which integrated immigrants can more easily accumulate knowledge as well as obtain information and in-group favoritism (Akerlof and Kranton, 2005; Chen and Li, 2009). Supplementary findings from sociology and psychology also suggest that integrated immigrants, by successfully solving the psychological conflict between the desire to be part of the majority group of the host society and the fear of being excluded from their original ethnic group, develop a higher sense of security and self-esteem (Cameron, 1999; Nesdale and Mak, 2003; Phinney et al., 2001). These factors, in turn, further enhance their self-confidence and ability to exploit large networks that positively contribute to labor market outcomes.

Our empirical evidence additionally demonstrates that, while having a social identity is better than not having one at all, assimilation alone of the majority culture does not necessarily provide a clear labor market advantage. We find, indeed, that also assimilated and separated immigrants have an employment premium with respect to the marginalized, but that there is no statistically significant difference in the employment outcomes of assimilated and separated. By choosing to absorb only the culture of the majority group, assimilated immigrants accumulate greater specific knowledge and information, exploit larger local networks and hence can more easily find a job in the host country with respect to separated immigrants. However, the former also experience higher costs and frictions that undermine their employment probability with respect to the latter. Linguistic and cultural barriers make the assimilation of norms and values of the host society more difficult than the retention of one's own original culture. Moreover, abandoning one's own ethnic identity may be associated to violations of the social norms of one's own home country group that are penalized through within-group discrimination and social exclusion. Especially when conflicts across identities are strong, these costs may be large enough to explain why an assimilation strategy may not favor immigrants on the labor market with respect to a separation scheme.

Taken together, these results establish that what really matters in explaining foreigners' occupational probability in Italy is their simultaneous sense of belonging to the host country society and to their original ethnic group. We corroborate this idea in the second part of the paper, where we focus on integrated immigrants to reveal some possible mechanisms driving their labor market over-performance. We first show that integration benefits to a greater extent less secure and more discriminated individuals who generally face stronger barriers to entry in the labor market. Specifically, the positive effect of integration on employment probability is stronger for women, irregular migrants as well as immigrants with a brief experience in Italy and arriving in Italy at older ages, who potentially have small networks, low adap-

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[4]Immigrants often choose not to nurture the host culture, although this could facilitate their employment chances, or not to directly accept job offers in order not to violate the social norms of their home country's ethnic groups (Austen-Smith and Fryer, 2005; Fordham and Ogbu, 1986; Fryer and Torelli, 2010; Oh, 2019).

tion to the new society and high attachment to the original ethnic culture. Alternatively, we do not detect clearly different effects across education levels, with low educated integrated immigrants presenting only a mild and weakly estimated employment premium with respect to the highly educated integrated. These additional findings, rather than pointing to a direct effect of identity through a human capital channel, suggest that the positive effect of multiple social identities is especially triggered by the enlarged set of job market information and positive peer effects that identification with, and membership of, extended communities ensure. To substantiate this interpretation, we present more direct evidence on the networks and types of communities that integrated immigrants (are willing to) join and interact with, showing that integrated immigrants are more likely to have both Italian and foreign friends, to join associations of both Italians and foreigners as well as to agree that their children marry an Italian. We also find that integration status guarantees an employment probability premium in the industry and service to people sectors but it penalizes the entry into commerce and, most importantly, it does not affect labor income. It is very likely, indeed, that occupation in the commerce sector is mostly facilitated by identification with, and participation in, one's own ethnic community (i.e., small ethnic shops) such that absorbing also the host country's culture causes integrated immigrants to be discriminated against by their home country group and to bear psychological and transaction costs without any additional returns. Consistently, our evidence indicates that especially separated immigrants, who do not deviate at all from the social norms and behavior rules of their ethnic group, are more likely than integrated immigrants to work in the commerce sector. Interaction with both dominant and minority ethnic groups, instead, widens the spectrum of the networks and information sets which may be useful to enter in other sectors, even though it does not necessarily affect the intensive margin of the economic performance (Bachmann and Baumgarten, 2013; Calvó-Armengol and Jackson, 2004). Accordingly, our results remain stable and point estimates virtually identical even when we use a proxy for the intensity of integration.

Studying the effects of identity on labor market outcomes is empirically challenging. Omitted variables, measurement error in the identity measures, sorting of immigrants across municipalities and their selection over characteristics of the home countries as well as reverse causality are all likely sources of bias that prevent identification of a causal relation. In an effort to allay all these potential concerns and bring our estimates as near as possible to a causal interpretation, in our specifications we always include a wide range of individual-level covariates, a set of municipality by country of origin fixed effects that account for (omitted) time-invariant characteristics of each ethnic group in each municipality as well as week and day of week by place of interview fixed effects to account for seasonality effects and potential selection of migrants in particular places of interview on specific days of the week. Moreover, we perform a large battery of robustness and sensitivity checks. We show that our findings re-

main robust and valid when we exclude specific groups of immigrants selected over personal characteristics (i.e., retirement age, years spent in Italy, legal status, etc.) or when we force our identification by adding a full set of age at arrival by years spent in Italy fixed effects that tighten estimations across individuals also within the same cohorts of age at arrival and length of time in Italy. Likewise, estimated coefficients remain stable and our results unaffected when we drop municipalities and countries of origin in the tails of the distributions of total population, overall migrants' share of population, migrants' density per km^2, unemployment rate and per-capita income of the municipalities as well as geographic and cultural distances between Italy and home countries. Finally, in an effort to dispel any remaining concerns, we implement an IV strategy exploiting the immigrants' use of the Italian language at home and their interest in what happens in the home country to construct instruments for our measures of the attachment to home and host countries. Reassuringly, IV results confirm our main findings, with the 2SLS estimates larger than their OLS counterparts. Thus we provide many robustness checks and tests to demonstrate that this difference is very unlikely to be driven by violation of the identifying assumptions, while it can be explained partly by the OLS downward bias due to measurement error and partly by the local effect of our IV estimates.

Our study builds on the economic literature that formalizes ideas from sociology and cross-cultural psychology (Akerlof and Kranton, 2000; Benabou and Tirole, 2011; Bisin and Verdier, 2011) and it primarily addresses the growing empirical literature on social identity, cultural integration and economic performance of migrants (Constant and Zimmermann, 2008; Constant et al., 2009). The bottom line of this body of research is that the labor market outcomes of immigrants are mostly shaped by the attachment to the host country, while a strong ethnic identity has, if any, a detrimental impact. For instance, in an application to Germany, Casey and Dustmann (2010) do not find any robust pattern correlating either identity with employment probability and wages, estimating only a rather weak relation between the sharing of German identity and the probability of females being employed. Likewise, Battu and Zenou (2010) show that the lack of identification with the British majority culture reduces the chances of being employed, while a strong ethnic identity is not significantly associated with employment outcomes. Focusing only on the relevance of the ethnic identity, other studies suggest that maintaining a strong attachment to the country of origin is negatively correlated with both the probability of finding a job and the quality of the job (Bisin et al., 2011a; Pendakur and Pendakur, 2005). This conclusion is also consistent with the part of the literature which directly considers the multidimensional nature of the process of identity formation. Nekby and Rodin (2010), for instance, provide evidence that in Sweden the host country identity enhances the probability of employment regardless of a strong sense of belonging to the home country. They find, in particular, that integrated immigrants have a lower, but not statistically significant, probability of being employed than their assimilated counterparts, while the separated

and marginalized have considerably fewer chances of finding a job than do the assimilated. Similar results were also found by Constant et al. (2006), Constant and Zimmermann (2008), Drydakis (2013) and Gorinas (2014). While none of these studies provides a causal identification and interpretation, their conclusions are also supported by Islam and Raschky (2015) who address the endogeneity issue by using the genetic distance between the origin and the destination country as an instrument for the endogenous identity variables. They find that a strong attachment to the host country positively affects the probability of employment, but not the labor income, of immigrants, while ethnic identity has a negligible role in both. Our findings challenge these consolidated views in that we provide very robust evidence that not only is the attachment to the minority culture positively correlated with the employment prospects of the immigrants, but also that this effect remains stable when taking into account the potential costs of identification with the cultures of both sending and destination countries. We empirically establish that integrated immigrants with multiple social identities are more likely to be employed than their assimilated, separated or marginalized counterparts.

The paper is structured as follows. Section 2 describes the data and discusses some descriptive statistics. Section 3 investigates the relationship between the diverse (social) identities and the labor market performance of immigrants in Italy. Section 4 focuses on integrated immigrants to explore the potential sources of their over-performance on the labor market and to highlight other potentially economic effects of integration. The last section concludes.

2   Data and Descriptive Statistics

To explore how different (social) identities affect the economic conditions of immigrants, our empirical analysis uses survey data collected by the ISMU Foundation by interviewing 12,049 immigrants between 2008 and 2009. It is a comprehensive survey on immigrants' integration in Italy, including information on feelings of belonging to host and home countries. In addition to specific questions on immigrants' identity, the survey provides information on social, cultural, political and economic conditions of the respondents.[5]

Interviewed immigrants come from 127 different countries of origin mainly poorer than Italy (Fig. A.1 in the Appendix), with most of them from Eastern Europe, Northwest Africa and Asia.[6] They are located in 233 Italian municipalities distributed in both the North and South of Italy (Fig. A.2 in the Appendix),[7] with most of the sample living in municipalities

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[5]A regional subsample of the ISMU dataset was also used by Dustmann et al. (2017), Guriev et al. (2018) and Pinotti (2017), who exploit only variation within the Lombardy region. We were granted access to the full Italian dataset, albeit available with a shorter time coverage. A detailed description is available in Cesareo and Blangiardo (2009) and additional information through the website www.ismu.org.

[6]The ten most representative countries are: Romania (13.68%), Albania (10.76 %), Morocco (8.85%), China (5.82 %), Philippines (4.11%), Peru (4.03%), Ukraine (3.98%), Egypt (3.47%), Bangladesh (3.36%) and Senegal (3.30%).

[7]Municipalities (Comuni) correspond to LAU level 2 (formerly NUTS level 5) in the Eurostat definition. In our sample, they are distributed across 13 of the 20 Italian regions: Piedmont, Lombardy, Trentino-South Tyrol, Veneto,

Table 1: Summary Statistics

	Observation	Mean	Std. Dev.	Min	Max
Employment	10207	0.817	0.387	0	1
Home identity	11895	0.908	0.290	0	1
Host identity	11747	0.567	0.496	0	1
Male	11990	0.523	0.500	0	1
Age	11990	36.252	10.079	18	82
Age at arrival	11882	28.528	9.752	0	82
Years in Italy	11926	7.788	6.191	0	60
No education	11702	0.062	0.241	0	1
Compulsory	11702	0.318	0.466	0	1
High school	11702	0.430	0.495	0	1
BA degree +	11702	0.190	0.393	0	1
Proficiency	11987	3.503	1.093	1	5
Married	11881	0.567	0.496	0	1
Having children	11946	0.567	0.496	0	1
Muslim	11618	0.339	0.473	0	1
Catholic	11618	0.266	0.442	0	1
Orthodox	11618	0.212	0.409	0	1
Coptic	11618	0.004	0.062	0	1
Evangelical	11618	0.022	0.147	0	1
Other Christian	11618	0.019	0.137	0	1
Buddhist	11618	0.034	0.182	0	1
Hindu	11618	0.015	0.122	0	1
Sikh	11618	0.006	0.079	0	1
Other	11618	0.009	0.094	0	1
No religion	11618	0.074	0.261	0	1

concentrated in just a few regions, particularly Tuscany and Lombardy.[8] Reassuringly, the high correlation in the municipality-ethnic group shares of immigrants between the survey data (ISMU) and official census (ISTAT) ensures that our data are highly representative of the actual distribution of the ethnic groups across the Italian municipalities.[9]

Table 1 presents the main characteristics of the full sample including both regular (about 90%) and irregular (10%) immigrants, aged 18 or older at the time of interview and with an average age at arrival in Italy of about 28 years old.[10] Respondents, mostly males (52%) and married with children (57%), spend many years in Italy (on average 7.8 years) and have quite a high level of education; 62% of immigrants report at least a high school degree, with 19% of

Emilia-Romagna, Tuscany, Marche, Abruzzo, Lazio, Campania, Molise, Apulia and Sicily.

[8]Most immigrants in the sample (about 85%) are located in the municipalities above the sample median of total population, migrants' density (per km^2) and income per-capita. Immigrants are more equally spread across municipalities when looking at the municipalities' distribution of the share of immigrants in total population and unemployment rate, with about half of the sample living in municipalities below and the other half in those above the median of municipalities' distribution.

[9]See Table A.1 and Figure A.3 in the Appendix.

[10]Tables A.2 and A.3 in the Appendix present the summary statistics of the base estimating samples, showing that there are no particular differences between the different samples in terms of individuals' characteristics.

them stating they have a bachelor's degree or higher level of education. These characteristics also explain their mastery of Italian language; the average score of *Proficiency*, measured as the self-reported ability in speaking and reading, is 3.5 on a scale from 1 to 5. Finally, 27% of the sample are Catholic, 21% Orthodox and 40% Muslim; the religious minorities are represented by Coptic, Evangelical, Buddhist, Hindus, Sikh and those professing other religions, while about 7% state no religious affiliation.

2.1 Economic Performance of Immigrants

Our main measure of economic performance of immigrants is their employment status, *Employment*, defined by a binary indicator equal to one if respondents state they have a job at the time of the interview and zero otherwise. In the employed category (82%), we include all respondents regardless of whether they have a regular (70%) or irregular (about 10%) job, full (about 38%) or part time (20%) position and regardless of whether they are employers (3%) or employees. We exclude those who are not in a professional condition (almost 10%), mainly housewives and students. In our baseline estimations we do not impose any further restrictions (i.e., retirement age), because in many cases migrants have to work also in non-standard market conditions and we want to measure how different identity strategies may broadly affect the employment prospects of individuals. We then consider several robustness checks.

Employed immigrants are distributed across four major sectors of economic activity, with 42% in the service sector (30% in services to people and 12% in services to firms), and 20% and 19% in commerce and industry, respectively. Few (about 2.6%) are employed in agriculture, with the remainder in other categories.

The survey allows us to shed some light on the intensive margin of the economic performance with a question on immigrants' labor income, collected as an eight-class measure. Among those with a positive income, the majority (67%) state a monthly net income from labor of between 600 and 1200 Euros, while 13% and 20% of the sample report an income lower than 600 and higher than 1200 Euros, respectively.[11]

2.2 Measures of Identity

To measure immigrants' social identities, we use self-reported information about the respondents' identification with both host and home countries.[12]

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[11]The income classes with the corresponding share of immigrants are: No Income (23.02%), < 600 (10.11%), 600-799 (16.43%), 800-999 (18.59%), 1000-1199 (16.20%), 1200-1499 (9.97%), 1500-2000 (3.93%), > 2000 (1.74%).

[12]In order to capture the different components of the immigrants' acculturation strategy (Berry et al., 2006), we need measures of the attachment to both the places of destination and origin, which are often unavailable in terms of actual behaviors. Some authors cast doubts about the suitability of such measures, since "subjective attitudes are just expressive manifestations of what is socially acceptable to say in public" (Algan et al., 2012, p. 24). Instead, they suggest using, as proper measures of identity, the individuals' actual behaviors, such as the use of language, intermarriage and plans of citizenship. Despite such concerns, several pieces of research are based on an

Table 2: Acculturation strategies

		Home identity		Total
		1	0	
Host identity	1	Integrated 49.53%	Assimilated 7.08%	56.61%
	0	Separated 41.27%	Marginalized 2.13%	43.4%
Total		90.8%	9.2%	100%

We proxy the attachment to the country of destination with the dummy *Host identity* equal to one if the interviewee responds "Enough" or "Very Much" to the survey question "How much do you feel you belong to Italy?", and zero if the answer is "Far Too Little" or "Little". Likewise, the attachment to the country of origin is captured by the dummy *Home identity* equal to one if the interviewee responds "Enough" or "Very Much" to the survey question "How much do you feel you belong to your country of origin?", and zero otherwise.

About 91% of the sample state they are attached to their home country, while 56.7% identify with the host country (Tab. 1). Given the potential overlap in the two identity questions, our data seem consistent with acculturation theories (Berry, 1997; Constant and Zimmermann, 2008) categorizing immigrants along one of the four identity strategies: *integration*, *assimilation*, *separation* and *marginalization* (Tab. 2). A first look at the cross-tabulation of the two identity variables reveals that most immigrants in the sample are distributed around two major groups; the *Integrated* (49.53%) who identify with both the majority and ethnic group cultures, and the *Separated* (41.27%) immigrants who identify only with the minority culture of their country of origin while rejecting the majority group culture. The residual 9% of the sample further splits up into *Assimilated* (7%) and *Marginalized* (2.13%) immigrants, with the former identifying only with the majority group and the latter neither with the majority nor with the minority culture.[13]

Table 3 reports some distinctive characteristics of immigrants according to their choice of

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approach similar to the one we employ (Casey and Dustmann, 2010; Nekby and Rodin, 2010; Gorinas, 2014; Islam and Raschky, 2015). The reason is that behaviors capture only in part the concept of identity. According to Tajfel and Turner (1986) identity is "the person's sense of self" from which certain behaviors derive; it is, therefore, a broader concept, a psychological attitude that captures also other aspects of self-identification, such as self-esteem, psychological well-being, and so on. Furthermore, while some aspects of the actual behaviors may be determinants of the identity strategy, others may be configured as outcomes. Ultimately, the use of actual behaviors as measures of identity could imply a more severe endogeneity problem due to simultaneity and measurement errors.

[13]Specifically, the *Integrated* are the immigrants answering "Enough" or "Very Much" to both home and host identity questions so that *Home* and *Host Identities* dummies are equal to one. The *Separated* are those reporting "Far Too Little" or "Little" sense of self-identification with the host country but "Enough" or "Very Much" self-identification with the home country so that *Home Identity* is equal to one but *Host Identity* is equal to zero. The *Assimilated* are those immigrants reporting "Far Too Little" or "Little" sense of self-identification with the home country but "Enough" or "Very Much" self-identification with the host country so that *Host Identity* is equal to one but *Home Identity* is equal to zero. Finally, the *Marginalized* are those answering "Far Too Little" or "Little" to both identity questions such that both dummies are equal to zero.

Table 3: Summary Statistics by Social Identity

	Integrated	Assimilated	Separated	Marginalized
Employment	0.854	0.797	0.788	0.678
Male	0.513	0.450	0.540	0.573
Age	36.768	35.881	35.960	34.012
Age at arrival	27.899	25.341	29.948	26.797
Years in Italy	8.974	10.638	6.028	7.416
No education	0.046	0.067	0.077	0.099
Compulsory	0.287	0.259	0.369	0.293
High school	0.444	0.467	0.410	0.320
BA degree +	0.223	0.207	0.145	0.288
Proficiency	3.729	4.119	3.145	3.445
Married	0.585	0.455	0.572	0.475
Having children	0.577	0.507	0.573	0.498
Muslim	0.330	0.263	0.353	0.434
Catholic	0.276	0.333	0.252	0.120
Orthodox	0.210	0.219	0.212	0.288
Coptic	0.006	0.004	0.000	0.022
Evangelical	0.021	0.022	0.021	0.042
Other Christian	0.017	0.027	0.021	0.020
Buddhist	0.032	0.034	0.037	0.013
Hindu	0.018	0.010	0.012	0.002
Sikh	0.008	0.000	0.006	0.002
Other	0.008	0.009	0.009	0.014
No religion	0.074	0.079	0.077	0.043

group identity and highlights how the acculturation framework may improve our understanding of the immigrants' identity choices and of the effects of these identities on their economic performance. First of all, integrated immigrants are much more likely to be employed than those with other identities, including the assimilated. As expected, integrated and assimilated migrants spend more time in Italy, have a better proficiency in Italian language and a higher human capital than do separated and marginalized. Immigrants are more homogeneous with respect to their age at the date of interview and arrival, with a slight predominance of males among separated and marginalized. Finally, integrated foreigners are more frequently married and with children, while Muslims are more likely to be separated and Christians assimilated.

3 Identity, Acculturation Strategies and Labor Market Performance

3.1 Empirical Specification

To investigate the relationship between immigrants' group identity and their labor market performance in Italy, we estimate the following model:

$$y_{iom} = \beta_0 + \beta_1 Home\ identity_{iom} + \beta_2 Host\ identity_{iom} + \beta_3 Home\ identity_{iom} \times Host\ identity_{iom} +$$
$$+ \mathbf{X}'_{iom}\delta + \alpha_{om} + \lambda_w + \mu_{dp} + \varepsilon_{iom} \qquad (1)$$

where y_{iom} is the dummy *Employment* equal to one if immigrant i from country of origin o in the municipality m is employed and zero otherwise, while *Home identity* and *Host identity* are the dummies capturing the immigrants' identification with the countries of origin and destination.

We start estimating model (1) without the interaction term *Home identity* $\times$ *Host identity* such that coefficients β_1 and β_2 identify only the main effects of the independent adherence to home and host country cultures. Next, we add to the right-hand side the interaction term *Home identity* $\times$ *Host identity*, whose coefficient β_3 estimates further costs and gains from multiple social identities, allowing us to gauge the labor market effects of all four acculturation strategies illustrated in Table 2. According to the full specification in eq. (1), coefficient β_1 returns the estimate of the employment probability of *Separated* immigrants, for whom the dummy *Host identity* is equal to zero while *Home identity* is equal to one, with respect to the *Marginalized* ones, the reference category captured by the intercept β_0. Likewise, β_2 quantifies the employment probability premium of *Assimilated* immigrants, for whom the dummy *Host identity* is equal to one while *Home identity* is equal to zero. This saturated empirical model also implies that we can compute the linear combination of the three coefficients, $\beta_1 + \beta_2 + \beta_3$, to retrieve the estimated probability of *Integrated* immigrants of being employed, for whom both *Host identity* and *Home identity* dummies are simultaneously equal to one, with respect to the *Marginalized*. Further, we can also evaluate whether the four acculturation strategies are associated to statistically different outcomes on the labor market. Specifically, the difference in the estimated coefficients of *Integrated* and *Assimilated*, $\beta_1 + \beta_3$, returns an estimate of the different employment probabilities of immigrants identifying with both the majority and minority cultures with respect to those accepting only the majority group identity. Similarly, the difference between *Integrated* and *Separated* is computed by the linear combination $\beta_2 + \beta_3$, while that between *Assimilated* and *Separated* by $\beta_2 - \beta_1$.

To avoid omitted variable concerns, in our estimations we always include the vector $\mathbf{X}_{iom}$ of individual-level covariates; *Age* (and its square), gender (*Male*), marital status (*Married*), presence of children (*Having children*), educational level (*No education, Compulsory, High school* and *BA degree +*), years spent in Italy (*Years in Italy* and its square), proficiency in Italian language (*Proficiency*) and religious affiliation.

Finally, our specifications include a set of municipality by country of origin fixed effects (α_{om}) to account for (omitted) time-invariant characteristics of each ethnic group in each municipality that are a potential source of bias (i.e., network effects, specific human capital, local

labor market features, cross-municipality differences in natives' attitudes toward cross-ethnic groups of immigrants). We also add to the right-hand side week (λ_w) and day of week by place of interview (μ_{dp}) fixed effects to wash out part of the random measurement errors induced by the use of self-reported measures of identity as well as to account for seasonality effects and potential selection of migrants in particular places of interview on specific days of the week (e.g., unemployed immigrants interviewed on working days in particular places or immigrants with strong ethnic identity interviewed particularly in religious or ethnic places).[14]

3.2   Baseline Results

Table 4 reports our baseline OLS estimates when regressing immigrants' employment status on their group identity conditional on the set of individual-level covariates and fixed effects.

In the first three columns, we examine the effects of the single components of the acculturation strategies by excluding the interaction term *Home identity* × *Host identity*. In columns (1) and (2) we start by introducing the dummies *Home identity* and *Host identity* separately. Results in column (1) show that immigrants with a strong attachment to their home culture have a higher employment probability with respect to those who do not feel they belong to their ethnic group. Likewise, column (2) reports that immigrants who identify with the culture of the host country are more likely to be employed than those who do not. These effects remain statistically significant and stable also when, in column (3), we introduce the two variables jointly. Hence, the positive and statistically significant coefficients of *Home identity* and *Host identity* suggest that identification not only with the host but also with the home countries increases the chances of being employed.

Next, in column (4) we introduce the interaction term *Home identity* × *Host identity* to completely characterize the economic effects of the four acculturation identities. Its negative and statistically significant coefficient shows that acquiring and preserving both identities is costly and dampens the probability of the immigrants being employed. Notwithstanding, the coefficients of *Home identity* and *Host identity* not only remain positive and statistically significant, but they also substantially increase in magnitude. This first indicates that even individuals with so-called "oppositional identities", who choose only one social identity, have an employment premium on the labor market with respect to those without any identity. Differently from the models in columns (1)-(3), the coefficients of *Home identity* and *Host identity* in the speci-

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[14]The survey indicates the following possible twelve places of interview: centers providing services and assistance (reception, work, health, counseling service, refectory, public offices), training centers (Italian courses, professional training courses, schools, universities), worship (churches, mosques, temples), ethnic shops (kebabs, Islamic butchers, take-aways, food products), entertainment (cinema, discos, sports facilities, bars, restaurants), shopping centers, meeting places (stations, squares, parks, lakes), markets (municipal markets, flower market, fruit and vegetable), workplaces or workforce recruitment (construction sites, textile laboratories, restaurants and hotels, gatehouses, agricultural fields and farms), associations and cultural centers, service centers (phone centers, money transfer agencies), private residences.

Table 4: Identity, Acculturation and Employment

	Dependent: Employment status			
	(1)	(2)	(3)	(4)
Home identity	0.0772***		0.0774***	0.1640***
	(0.0174)		(0.0186)	(0.0452)
Host identity		0.0252**	0.0302***	0.1367**
		(0.0106)	(0.0108)	(0.0603)
Home × Host				-0.1140**
				(0.0567)
Linear combinations: acculturation hypothesis				
Integrated				0.1866***
(Home + Host + Home × Host)				(0.0493)
Integrated - Assimilated				0.0500**
(Home + Home × Host)				(0.0230)
Integrated - Separated				0.0227**
(Host + Home × Host)				(0.0088)
Assimilated - Separated				-0.0273
(Host - Home)				(0.0252)
Individual controls	yes	yes	yes	yes
Municipality × Origin FE	yes	yes	yes	yes
Week & DoW × Place FE	yes	yes	yes	yes
R^2	0.476	0.472	0.475	0.476
Observations	9265	9152	9081	9081
Countries of origin (#)	121	121	121	121
Municipalities (#)	222	220	220	220
Mean dependent	0.8184	0.8178	0.8186	0.8186

Notes. Linear probability model estimates. The dependent variable is a dummy equal to 1 for employed and 0 otherwise. All regressions include individual controls, municipality × country of origin, week and day of week × place of interview fixed effects. Individual controls are: Proficiency in Italian language, Years in Italy (and its square), Age (and its square), Male, Compulsory school, High school, BA degree +, Having children, Married and Religion dummies. The linear combinations in column (4) report the estimates of the acculturation strategies; accordingly, *Home identity* and *Host identity* identify the separation and assimilation strategies respectively, while the effect of integration is given by the sum of the coefficients of *Home identity*, *Host identity* and *Home identity* × *Host identity*. Sample weights used. Robust standard errors clustered at municipality level in parentheses; *** $p < 0.01$, **$p < 0.05$, *$p < 0.1$.

fication of column (4) estimate the labor market effects for immigrants who not only identify with one of the two group cultures but who also simultaneously reject the other. Hence, the coefficient of *Home identity* implies that *Separated* immigrants, who identify only with their minority country of origin group while rejecting the majority group culture, are about 16 percentage points more likely to be employed than *Marginalized* individuals, who dismiss any identity. Likewise, the *Host identity* coefficient demonstrates that *Assimilated* immigrants, who identify only with the host country culture while abandoning their home culture, have an

employment probability about 14 percentage points higher than that of the *Marginalized*. Furthermore, and most importantly, the boost in the coefficients of *Home identity* and *Host identity* after the introduction of the interaction term ensures that the detrimental effect of the simultaneous identification with both majority and minority groups is not strong enough to cancel out the benefits generated by interaction with different ethnicities. Indeed, the linear combinations of the coefficients from column (4) establish that *Integrated* immigrants, who concurrently identify with home and host countries, are those with the strongest performance on the labor market, with a probability of being employed 18.6, 5 and 2.3 percentage points higher than that of, respectively, *Marginalized*, *Assimilated* and *Separated*.

Together, these results provide evidence that, while having a social identity is better than not having one at all, what really matters for the employment prospects of immigrants is their choice to retain a strong ethnic identity, in addition to absorbing the host country identity. This is also corroborated by the result in the last row of Table 4, which establishes that the sole assimilation of the majority culture does not provide a labor market advantage as the difference between the coefficients of *Assimilated* and *Separated* is not statistically significant.

Finally, with regard to the other covariates, in Table A.4 in Appendix we show that time spent in Italy, knowledge of the local language and educational level are, as expected, positively correlated with the probability of being employed, while the other socio-demographic characteristics (gender, age, civil status and presence of children), including religious affiliation, do not seem to affect the economic performance of foreigners in Italy.

3.3   Robustness

Concerns about the identification of the effects of identity on employment status may be attenuated by our baseline empirical strategy that exploits a tight variation across immigrants within the same ethnicity-Italian municipality pair, interviewed in the same week and within the same day of the week by place of interview cells. The drawback can be that estimates are biased due to too little variation (e.g., too few observations within cells) and other modeling assumptions. In this regard, in the Appendix we start providing a first set of robustness checks. Table A.5 in the Appendix illustrates that the corresponding Probit estimates are consistent and in line with the OLS results, with the marginal effects weakly smaller in size.[15] In Table A.6, we further show that estimates remain virtually identical when we exclude municipalities, countries of origin and weeks cells with less than 10 or 20 observations as well as when we drop the two most over-sampled Italian regions (Tuscany and Lombardy). Our baseline results are also robust to alternative fixed effects and clustering of standard errors. In Table A.7, we perform a series of permutations, introducing the fixed effects one-by-one as well as

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[15]Due to the large number of fixed effects, the incidental parameter problem may be the source of this downward bias. For this and computational reasons, in the following we report only linear probability estimates.

adding municipality by week fixed effects and enlarging the geographical reference units by replacing the municipality by country of origin fixed effects with those of the Italian provinces by regions of the world. Table A.8, finally, presents a variety of checks of one-way and multi-way clustering of standard errors on municipalities, countries of origin, weeks, days of week and places of interview.

Nevertheless, selection of immigrants over individuals' characteristics, their sorting across municipalities, measurement error induced by the self-reported nature of the survey answers as well as simultaneity bias and reverse causality may still be sources of bias. To exclude that these may affect our main conclusions, we perform the following robustness checks.

Other Individuals' Characteristics   In Tables 5 and 6, we start excluding that the effects of identity on employment reflect other omitted individuals' characteristics and sample selection.

First, in column (1) of Table 5, we restrict the sample to a more homogeneous group of individuals, excluding those who were born in Italy, those who have been in Italy for more than 20 years and who are in retirement age, i.e. older than 65. Next, although we do not have direct information from the survey, we try to account for potential family and pre-migration economic characteristics (i.e., household or personal wealth). To this end, in columns (2) and (3), we exclude individuals who contemporaneously state that they own a house and have been in Italy for only 2 and 5 years, respectively.[16]   The idea is that newly arrived migrants who state they own a house in Italy may disclose pre-migration wealth or characteristics that can simultaneously affect their identity formation and employment probability. Reassuringly, our baseline results remain stable both in significance and magnitude.

In columns (4) and (5), we account for the legal status of the immigrants as it may confound assimilation rate and employment outcomes. To mitigate concerns of bad controls and endogeneity, we proceed in two ways; in column (4), we include a dummy equal to one for individuals with a legal permit to stay and zero otherwise, while in column (5) we drop from the sample irregular immigrants without any legal permit. Results are in line with our baseline conclusions. The smaller point estimates signal, on the one hand, that the legal status captures part of the willingness and rate of assimilation of the immigrants and, on the other, that ethnic identities may especially matter for those who need them the most, usually irregular immigrants who face stronger barriers to entry in the labor market.[17]

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[16] About 17% of the full sample state that they live in their own accommodation, with the remaining either in rented apartments (51%), shared houses (27%) or temporary places (5%).

[17] Gathmann and Keller (2018) have recently shown that citizenship fosters assimilation of immigrants and their employment prospects. First, citizenship induces immigrants to feel more appreciated by the host society and hence to be more inclined to identify with the host country. As a consequence, immigrants are more prone to invest in social activities as well as in host country-specific skills potentially correlated with labor market outcomes. Further, citizenship speeds up immigrant employment because it allows legal barriers to be overcome as it is required in a number of jobs and sectors and because employers might be more inclined to invest in foreign employees who have higher probabilities of staying in the host country.

Table 5: Robustness. Other Individuals' Characteristics

| | Sample | Drop House Owners & in Italy | | Legal status | |
| | Restriction | Since 2 years | Since 5 years | Control | No irregular |
	(1)	(2)	(3)	(4)	(5)
Home identity	0.1658***	0.1711***	0.1811***	0.1661***	0.1419***
	(0.0455)	(0.0448)	(0.0455)	(0.0464)	(0.0544)
Host identity	0.1361**	0.1375**	0.1469**	0.1397**	0.1262**
	(0.0630)	(0.0602)	(0.0627)	(0.0614)	(0.0624)
Home × Host	-0.1127*	-0.1169**	-0.1269**	-0.1198**	-0.1025*
	(0.0600)	(0.0565)	(0.0598)	(0.0607)	(0.0614)
Legal permit				0.1563***	
				(0.0276)	
Linear combinations: acculturation hypothesis					
Integrated	0.1892***	0.1917***	0.2010***	0.1860***	0.1656***
(Home + Host + Home × Host)	(0.0494)	(0.0490)	(0.0489)	(0.0486)	(0.0567)
Integrated - Assimilated	0.0531*	0.0542**	0.0541**	0.0462*	0.0395**
(Home + Home × Host)	(0.0293)	(0.0229)	(0.0224)	(0.0260)	(0.0191)
Integrated - Separated	0.0234**	0.0206**	0.0200**	0.0199**	0.0237**
(Host + Home × Host)	(0.0092)	(0.0096)	(0.0093)	(0.0078)	(0.0094)
Assimilated - Separated	-0.0297	-0.0335	-0.0342	-0.0263	-0.0158
(Host - Home)	(0.0308)	(0.0256)	(0.0252)	(0.0247)	(0.0182)
Individual controls	yes	yes	yes	yes	yes
Municipality × Origin FE	yes	yes	yes	yes	yes
Week & DOW × Place FE	yes	yes	yes	yes	yes
R^2	0.490	0.471	0.472	0.486	0.512
Observations	8707	9003	8882	8926	8047
Countries of origin (#)	120	120	120	121	118
Municipalities (#)	220	220	220	220	218
Mean dependent	0.8137	0.8217	0.8230	0.8202	0.8430

Notes. Linear probability model estimates. The dependent variable is a dummy equal to 1 for employed and 0 otherwise. All regressions include individual controls, municipality × country of origin, week and day of week × place of interview fixed effects. Individual controls are: Proficiency in Italian language, Years in Italy (and its square), Age (and its square), Male, Compulsory school, High school, BA degree +, Having children, Married and Religion dummies. In column (1), we restrict the sample to individuals who were not born in Italy, who have been in Italy for less than 20 years and who are younger than 65. In columns (2)-(3) we drop individuals who contemporaneously state they own a house and have been in Italy for only 2 and 5 years. In column (4), we add a dummy equal to 1 for individuals with a legal permit to stay and 0 otherwise, while in column (5) we drop irregular migrants without any permit. The linear combinations report the estimates of the acculturation strategies; accordingly, *Home identity* and *Host identity* identify the separation and assimilation strategies respectively, while the effect of integration is given by the sum of the coefficients of *Home identity*, *Host identity* and *Home identity × Host identity*. Sample weights used. Robust standard errors clustered at municipality level in parentheses; *** $p < 0.01$, **$p < 0.05$, *$p < 0.1$.

Heterogeneous effect of Age at arrival and Years in Italy   In all the above specifications we account for the years spent in Italy as they can affect both identity formation and employment prospects of the immigrants (Abramitzky et al., 2014; Chiswick, 1978). In column (1) of Table 6 we reproduce the base results of column (4) of Table 4, uncovering the positive correlation

Table 6: Heterogeneous Effect of Age at Arrival and Years in Italy

	Dependent: Employment status			
	(1)	(2)	(3)	(4)
Home identity	0.1640***	0.1580***	0.1164**	0.1165**
	(0.0452)	(0.0448)	(0.0490)	(0.0489)
Host identity	0.1367**	0.1321**	0.1002**	0.0998**
	(0.0603)	(0.0603)	(0.0494)	(0.0490)
Home × Host	-0.1140**	-0.1083*	-0.0635	-0.0631
	(0.0567)	(0.0566)	(0.0491)	(0.0488)
Years in Italy	0.0214***			
	(0.0062)			
Age at arrival		-0.0060***		
		(0.0022)		
Linear combinations: acculturation hypothesis				
Integrated	0.1866***	0.1819***	0.1531***	0.1532***
(Home + Host + Home × Host)	(0.0493)	(0.0492)	(0.0504)	(0.0502)
Integrated - Assimilated	0.0500**	0.0497**	0.0530**	0.0534**
(Home + Home × Host)	(0.0230)	(0.0245)	(0.0217)	(0.0218)
Integrated - Separated	0.0227**	0.0238**	0.0367***	0.0368***
(Host + Home × Host)	(0.0088)	(0.0095)	(0.0120)	(0.0119)
Assimilated - Separated	-0.0273	-0.0259	-0.0163	-0.0167
(Host - Home)	(0.0252)	(0.0266)	(0.0226)	(0.0225)
Individual controls	yes	yes	yes	yes
Municipality × Origin FE	yes	yes	yes	yes
Week & DoW × Place FE	yes	yes	yes	yes
Age at arrival × Years in Italy FE	no	no	yes	yes
R^2	0.476	0.471	0.624	0.622
Observations	9081	9081	9081	9028
Countries of origin (#)	121	121	121	121
Municipalities (#)	220	220	220	220
Mean dependent	0.8186	0.8186	0.8186	0.8183

Notes. Linear probability model estimates. The dependent variable is a dummy equal to 1 for employed and 0 otherwise. All regressions include basic individual controls, municipality × country of origin, week and day of week × place of interview fixed effects. Basic controls are: Proficiency in Italian language, Male, Compulsory school, High school, BA degree +, Having children, Married and Religion dummies. In column (1), we reproduce the base results of column (4) in Table 4, including also Years in Italy and Age (and their square). In column (2), we introduce Age at arrival in the set of individual-level covariates and drop Years in Italy and Age (and their square). In columns (3) and (4) there are only the basic controls as we introduce age at arrival × years in Italy fixed effects, which absorb also almost the variation of individuals' age. In column (4) we exclude groups of Age at arrival and Years in Italy with less than 10 observations. The linear combinations report the estimates of the acculturation strategies; accordingly, *Home identity* and *Host identity* identify the separation and assimilation strategies respectively, while the effect of integration is given by the sum of the coefficients of *Home identity*, *Host identity* and *Home identity × Host identity*. Sample weights used. Robust standard errors clustered at municipality level in parentheses; *** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$.

between time spent in Italy and employment probability, which increases by about two percentage points for each additional year.

Along the same line of thinking, previous research has shown that the age at arrival of im-

migrants can potentially affect their integration process and economic performance by shaping either skills or preferences, and hence their identity formation process, or both.[18] In column (2) of Table 6 we introduce this variable and we show that our baseline results remain virtually identical, with the coefficient of *Age at arrival* statistically significant and negatively correlated with the chance of being employed.

However, both *Years in Italy* and *Age at arrival* may be potentially bad or endogenous controls, hence biasing our estimates. Most importantly, their effects may be not monotonic but depend on their interlinkages.[19] Thus, in an analogy with the critical period hypothesis of linguists, we explore the possibility that the time spent in the place of destination has a differentiated effect on both identity formation and economic performance depending on the age at arrival of the immigrants, and viceversa. The idea is that individuals of the same cohort of age of arrival (i.e., arriving at 5 years old) but in the place of destination for different lengths of time are exposed to different processes of identity formation and accumulation of factors correlated with their economic performance. Likewise, immigrants from the same cohort of time spent in Italy, but arriving at different ages (i.e. 5 versus 30 years old) tend to have different rates of assimilation and factor accumulation.[20] For illustrative purposes, Figure 1 shows this idea at work in our context.[21] The effect of the time spent in Italy on the employment rates of immigrants, while positive, differs depending on whether individuals arrived either in their youth or adulthood, with the employment prospects of the former more affected by the passing of time. Likewise, as the years spent in Italy increase, attachment to *Home identity* weakens more slowly for immigrants arriving early in life with respect to those arriving at a mature age, likely because the former are brought to Italy with an already low level of identification with their home culture. While less marked, this second-order effect is evident also for *Host identity*.

Hence, in an effort to control for this potential threat to our results, in columns (3) and (4) of Table 6 we force our identification by adding a full set of *Age at arrival* $\times$ *Years in Italy* fixed effects. Since coefficients are now estimated across individuals not only within the same municipality-country of origin cell but also within the same cohorts of age of arrival and length of time in Italy, this very demanding specification should allow us to further minimize concerns about selection, sorting and also reverse causality of our baseline results.

Results presented in column (3) are remarkably in line with our baseline conclusions, even though the point estimates of *Home identity* and *Host identity* become smaller. As a consequence, the interaction term becomes no longer statistically significant and the estimated ef-

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[18]See, for instance, Åslund et al., 2015, Aspachs-Bracons et al., 2008, Bleakley and Chin, 2004, Bleakley and Chin, 2010 and Clots-Figueras and Masella, 2013.

[19]In our full sample, the correlation between *Age at arrival* and *Years in Italy* is about 24%.

[20]For instance, younger children learn languages more easily than older individuals, and this has been shown to be correlated with both employment probabilities and identity formation (Aspachs-Bracons et al., 2008; Bleakley and Chin, 2004, 2010; Clots-Figueras and Masella, 2013).

[21]Figure A.4 in the Appendix illustrates the consequences for the acculturation strategies.

Figure 1: Heterogeneous Effects of Age at Arrival and Years in Italy
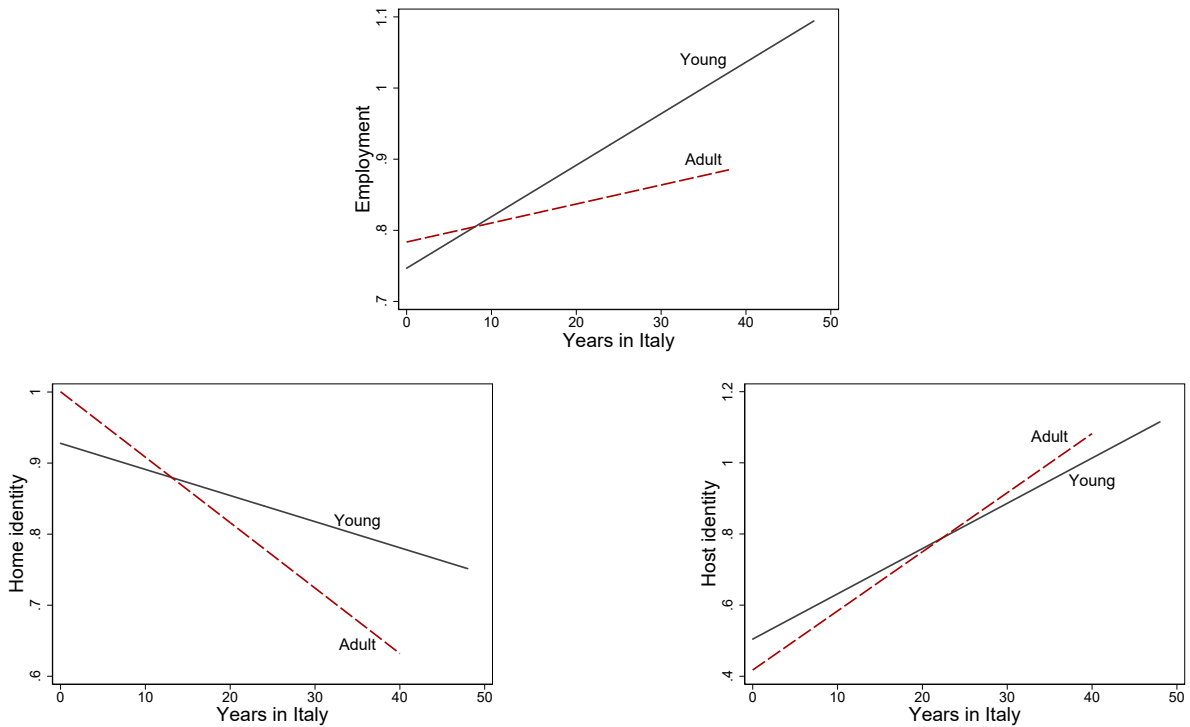
Notes. Linear fits. Young (Adult) are immigrants with *Age at Arrival* below (above) the median age of 27 years.

fect for *Integrated* immigrants shrinks by about 3 percentage points with respect to the reference category of the *Marginalized*. Astonishingly, the employment premium that in our baseline estimates integrated immigrants hold with respect to the assimilated remains also quantitatively unaffected (around 5 percentage points). In column (4), finally, we check that these results are not driven by cells with "too few" individuals, excluding groups of *Age at arrival* and *Years in Italy* with less than 10 observations.

Sorting across Municipalities of Destination and Selection by Countries of Origin Other potential sources of bias of our baseline estimates are due to particular sorting patterns of immigrants across municipalities and to immigrants' selection over characteristics of home countries. For instance, immigrants more inclined to assimilate may choose to locate in municipalities with a more suitable environment to welcome them. As long as these municipalities are also those with differentiated employment possibilities, our baseline results would be biased. Likewise, individuals from home countries with particular cultural backgrounds may have different rates of assimilation and specific skills that affect their labor market performance.

We deal with these concerns in two ways. First, in our estimates we always use the large battery of municipality by country of origin fixed effects that capture any residual variation at municipality and country of origin level. Further, in an effort to allay any remaining concerns, in Figures A.5-A.10 in the Appendix we plot the coefficients of our identity variables and their

linear combinations from regressions on employment status conditional on the baseline controls and fixed effects when we exclude the bottom and top 5% of municipalities and countries of origin by total population, overall migrants' share of population, migrants' density per km^2, unemployment rate and per-capita income of the municipalities as well as by geographic and cultural distances between Italy and home countries.[22] Under all these alternative permutations, coefficients remain remarkably stable and our main results valid.

3.4 Further Endogeneity Concerns and Instrumental Variable Estimates

Despite the large number of covariates, fixed effects and robustness checks in the above analysis, some other omitted variables, measurement error caused by the self-reported nature of the identity variables and reverse causality may still be sources of bias of our baseline estimates. To overcome these issues, we implement an IV strategy, exploiting the immigrants' use of the Italian language at home and their interest in what happens in the home country to construct two instruments for our identity measures and, hence, for their interaction.

The identity formation of immigrants is not a static process which occurs only in one stage of an individual's life, but rather it is a dynamic process along which individuals change their identity according to the exposure to the culture and values of the societies of arrival and origin. The degree of exposure to both cultures determines the final identities of the immigrants and depends on the actions and interactions that immigrants experience. Among all the possible practices, thoughts and beliefs, we focus on the daily use of the host country language and on the interest in what happens in the home country, because these directly capture the deep and continuous exposure of the immigrants to the culture and values of host and home countries, hence shaping their attachment to the host and home societies.

In particular, we instrument *Host identity* with the dummy *Italian language at home* equal to one if immigrants answer 3 or more on a scale from 1 to 5, where 1 corresponds to "Never" and 5 to "Always", to the survey question "On a daily basis, how much do you use the Italian language at home/in the family?".[23] The hypothesis is that immigrants who often speak the language of the destination country also at home and in the family are more exposed to the culture of the host country and develop a high attachment to the new society (Bazzi et al., 2019).[24] Thus, we expect a positive correlation between the two variables.

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[22]Official statistics for total population, migrants' share and migrants' density are from ISTAT and refer to January 2007. Municipality per-capita income is measured by the per-capita average taxable incomes as of 2008 (incomes 2007) from The Ministry of Economy and Finance. Unemployment rate is the average overall municipality unemployment rates obtained from official Census 2001 and 2011 (ISTAT). Geographic distance is the distance between Italian and home countries' capitals from Mayer and Zignago (2011). Cultural distances are proxied by linguistic, religious and genetic distances between Italy and sending countries from Spolaore and Wacziarg (2016).

[23]Summary statistics in Table A.3 in the Appendix report that about 45% of the sample state they use Italian language at home often (i.e., 3 or more).

[24]Bleakley and Chin (2010), Clots-Figueras and Masella (2013) and Fouka (201) also show that exposure to the host country language affects the formation of national identity and the degree of assimilation of immigrants.

Similarly, we instrument *Home identity* with the dummy *Interest in home country* equal to one if the respondent answers "Enough" or "Very Much" to the survey question "Are you interested in what happens in your home country?" and zero if the answer is "Far Too Little" or "Little". Migrants interested in what happens in their home country maintain a variety of links with their society of origin. These connections, in turn, ensure continuous exposure to the culture and values of the sending country that fortifies their final attachment. Thus, we expect a positive correlation between *Home identity* and *Interest in home country*.

To be valid, these instruments must have power to predict our endogenous variables and must affect economic performance only through their effect on the immigrants' attitude toward the host and home countries.

The first key identifying assumption is that the frequency of use of the Italian language at home does not directly affect the employment prospects of immigrants, or that it is uncorrelated with omitted factors that influence immigrants' performance. This assumption is violated if the use of the Italian language at home/in the family affects the labor market performance by increasing the overall linguistic skills of the immigrants. To deal with this possibility, we always include the *Proficiency* in Italian language in the right-hand side variables. Accordingly, conditional on the overall proficiency, the use of the Italian language at home should not directly affect the labor market performance of the immigrants. Another concern could be that the use of Italian language at home is forced by (omitted) housing conditions of the immigrants, which might in turn shape their employment status. For instance, one may conjecture that immigrants living with an Italian partner or friends of other nationalities may speak Italian at home more often if Italian is chosen as a common language. If this is the case, the interaction with individuals of different ethnicity may concurrently provide immigrants with extended networks and a variety of skills and human capital. As long as these factors also affect the employment status, the exclusion restriction would be violated. To rule out this possibility, Table A.9 in the Appendix shows that our 2SLS results are robust to whether the respondent has a partner of the same nationality and to whether he/she lives alone, with respect to living with the partner, parents and/or friends.

Regarding the other instrument, *Interest in home country*, a possible threat to our identification comes from the potential link between the interest in what happens in one's home country and the overall wealth of the immigrants. If richer immigrants are more likely to be interested in what happens in their country of origin (i.e., they can phone back to parents more often, send money, buy newspapers), the instrument could have a direct effect on the employment status by strengthening the willingness and incentives to find a job. Likewise, individuals with a strong interest in their home country can also be more inclined to migrate back to their country of origin and hence more active on the job market to finance the travel. To exclude both these channels, in Table 7 we show that there is no correlation between our instrument, *Interest*

Table 7: Instrument Validity. Interest in Home Country and Wealth Channel

| | Dependent: Interest in home country | | | |
| | Full sample | | IV sample | |
	(1)	(2)	(3)	(4)
Income < 600	-0.0283		-0.0115	
	(0.0245)		(0.0267)	
Income $\in (600, 799)$	0.0087		0.0137	
	(0.0133)		(0.0171)	
Income $\in (800, 999)$	0.0667***		0.0832***	
	(0.0143)		(0.0191)	
Income $\in (1000, 1199)$	0.0219		0.0376*	
	(0.0196)		(0.0226)	
Income $\in (1200, 1499)$	0.0179		0.0367	
	(0.0276)		(0.0299)	
Income $\in (1500, 2000)$	0.0114		0.0128	
	(0.0239)		(0.0279)	
Income > 2000	0.0239		0.0211	
	(0.0399)		(0.0494)	
Saving		0.0124		0.0169
		(0.0108)		(0.0123)
Individual controls	yes	yes	yes	yes
Municipality $\times$ Origin FE	yes	yes	yes	yes
Week & DoW $\times$ Place FE	yes	yes	yes	yes
R^2	0.373	0.378	0.394	0.378
Observations	9624	10139	7822	8332
Countries of origin (#)	120	121	119	121
Municipalities (#)	227	229	216	217
Mean dependent	0.9084	0.9085	0.9092	0.9099

Notes. Linear probability model estimates. The dependent variable is a dummy equal to 1 for immigrants stating they are interested in what happens in their country of origin and 0 otherwise. All regressions include individual controls, municipality $\times$ country of origin, week and day of week $\times$ place of interview fixed effects. Individual controls are: Proficiency in Italian language, Years in Italy (and its square), Age (and its square), Male, Compulsory school, High school, BA degree +, Having children, Married and Religion dummies. In columns (1) and (3) the (omitted) reference category is No income. Sample weights used. Robust standard errors clustered at municipality level in parentheses; *** $p < 0.01$, **$p < 0.05$, *$p < 0.1$.

in home country, and two measures of the economic condition of the immigrants; their income and saving possibilities. Reassuringly, columns (1) and (3) report that, in both the full and restricted 2SLS sample, there is no statistically significant pattern correlating higher incomes (the omitted reference category is *No income*) to the probability of being interested in what happens in the home country. A similar result is obtained if we use, in columns (2) and (4), the dummy *Saving* equal to one if immigrants are able to accumulate savings and zero otherwise.

A correlation between the interest in home country and the employment status or the error term could also originate because of other motivations not necessarily linked to wealth accumulation and savings choices of the individuals (i.e., omitted preferences for home country customs or family connections). For instance, and contrary to what is hypothesized above, immigrants may also be less prone and, hence, less able to find a job in the host country if they are more inclined to migrate back soon because of their strong interest in the home country. We deal with this concern in two ways. First, in Table A.10 in the Appendix we report results from regressing the employment status on the interest in what happens in the home country dummy that reveal the statistically significant and positive correlation between the two. Further, we show that the coefficient of *Interest in home country* does not change at all either in statistical significance or magnitude when we add to the right-hand side two variables capturing the immigrants' willingness to leave Italy and their preference for going back to their country of origin; *Intention to stay* and *Preference for children studying in home country*.[25] Thus, the pressures to leave Italy and to migrate back to the country of origin do not seem likely causes of the violation of the exclusion restriction. Finally, in Table A.11 in the Appendix we show that our 2SLS results remain virtually identical when we account for these two variables, either separately or jointly.

IV/2SLS Results   Table 8 presents the IV results, when we use *Interest in home country*, *Italian language at home* and their interaction as instruments for, respectively, *Home identity*, *Host identity* and their interaction. Column (1) reproduces our OLS baseline estimates in the IV sample, showing that all our main results remain unchanged but the interaction term, which becomes statistically not significant.

The second-stage estimates in column (2) confirm our baseline results according to which a) immigrants identifying with at least one group culture, *Integrated*, *Assimilated* and *Separated*, outperform those who do not, the *Marginalized*; b) immigrants identifying with both the majority and minority group cultures, the *Integrated*, have a stronger labor market performance than those identifying with either the majority group alone, the *Assimilated*, or only the minority country of origin group, the *Separated*; c) there is no statistically significant difference in the employment prospects of these two latter groups, the *Assimilated* and *Separated*. Columns (3)-(5) present the first-stage estimates, showing that our instruments are strong and highly significant predictors of the identity strategies of the immigrants. As expected, *Interest in home country* is positively correlated with *Home identity* and negatively with *Host identity*, while the reverse holds for the use of *Italian language at home*, which is positively correlated with *Host*

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[25]*Intention to stay* is a dummy equal to one if respondent answers "For ever" or "For a long time" to the survey question "Do you intend to stay in Italy?", and zero if the answer is "For a short time" or "Don't know". *Preference for children studying in home country* is a dummy equal to one if immigrants answer "In my country of origin" to the survey question "Thinking about the future of your children (even if you have none at the moment), where would you prefer them to study?", and zero if the answer is "In Italy", "In another country" or "I am indifferent".

Table 8: Identity, Acculturation and Employment. Instrumental Variable Estimates

	OLS	IV Second stage	IV First stage		
			Dependent variable is:		
	Employment status	Employment status	Home	Host	Home × Host
	(1)	(2)	(3)	(4)	(5)
Home identity	0.1448***	0.6456*			
	(0.0543)	(0.3690)			
Host identity	0.1168*	0.7184*			
	(0.0677)	(0.4154)			
Home × Host	-0.0966	-0.4979			
	(0.0644)	(0.4201)			
Interest in home country			0.2815***	-0.1602***	0.0489
			(0.0389)	(0.0407)	(0.0371)
Italian language at home			-0.2646***	0.1215***	-0.1916***
			(0.0504)	(0.0357)	(0.0513)
Interest in home × Italian language at home			0.2415***	0.0116	0.2897***
			(0.0481)	(0.0444)	(0.0574)
Linear combinations: acculturation hypothesis					
Integrated	0.1650***	0.8661**			
(Home + Host + Home × Host)	(0.0582)	(0.3752)			
Integrated - Assimilated	0.0482**	0.1477*			
(Home + Home × Host)	(0.0223)	(0.0826)			
Integrated - Separated	0.0201**	0.2205**			
(Host + Home × Host)	(0.0086)	(0.1103)			
Assimilated - Separated	-0.0281	0.0728			
(Host - Home)	(0.0238)	(0.1024)			
Individual controls	yes	yes	yes	yes	yes
Municipality × Origin FE	yes	yes	yes	yes	yes
Week & DoW × Place FE	yes	yes	yes	yes	yes
R^2	0.478	0.412	0.518	0.475	0.434
Kleibergen-Paap F-statistic		2.332			
Anderson-Rubin (p-value)		0.007			
F-test of excluded instruments			103.303	25.304	27.579
Observations	8701	8701	8701	8701	8701
Countries of origin (#)	121	121	121	121	121
Municipalities (#)	219	219	219	219	219
Mean dependent	0.8221	0.8221	0.9100	0.5711	0.4996

Notes. Linear probability model estimates in column (1), where the dependent variable is a dummy for employment status, equal to 1 for employed and 0 for unemployed. Columns (2)-(5) present the Two-Stage Least Square estimates. Column (2) presents the second stage estimates, where the dependent variable is a dummy for employment status, equal to 1 for employed and 0 for unemployed. Columns (3)-(5) present the First-Stage estimates. The dependent variables are *Home* in column (3), *Host* in column (4) and *Home × Host* in (5). All regressions include individual controls, municipality × country of origin, week and day of week × place of interview fixed effects. Individual controls are: Proficiency in Italian language, Years in Italy (and its square), Age (and its square), Male, Compulsory school, High school, BA degree +, Having children, Married and Religion dummies. The linear combinations report the estimates of the acculturation strategies; accordingly, *Home identity* and *Host identity* identify the separation and assimilation strategies respectively, while the effect of integration is given by the sum of the coefficients of *Home identity*, *Host identity* and *Home identity × Host identity*. Sample weights used. Robust standard errors clustered at municipality level in parentheses; *** $p < 0.01$, **$p < 0.05$, *$p < 0.1$.

identity but negatively with *Home identity*.

The IV coefficients of *Home identity* and *Host identity* in column (2) are between four and six times larger than their OLS counterparts. This also brings about the increase in the point estimates of the linear combinations, implying that *Integrated* immigrants are 86 percentage points more likely to be employed than are *Marginalized*, a five-fold jump with respect to the OLS estimates. Similarly, the employment probability premium that *Integrated* have with respect to *Assimilated* and *Separated* becomes, respectively, three and eleven times greater than that predicted by the OLS estimates, increasing from 5 to 15 percentage points in the former case and from 2 to 22 percentage points in the latter.

The very large individual F-statistics from the first stages (cols. 3-5) attenuate concerns that this difference between OLS and IV is caused by weakness of the instruments. However, the low Kleibergen-Paap F-statistic in column (2) does not allow us to reject the null hypothesis that instruments can be jointly weak, even though the usual rule-of-thumb threshold of 10 only refers to specifications with one endogenous variable and one instrument. We therefore also report the p-value of the Anderson-Rubin statistic, which is robust to weak instruments. According to this test, we can reject, at the one percent level, the null hypothesis that our endogenous variables are jointly zero. Moreover, the arguments and robustness checks presented above to validate and strengthen our identification strategy should make it very unlikely that the large 2SLS point estimates are driven by violations of the exclusion restriction.

More likely, the first source of the gap in the two estimates is the measurement error in the identity variables that derives from the immigrants' self-identification with home and host countries. Even though our instruments are also built upon self-reported information, we argue that answers related to the frequency of use of Italian language at home and the interest in what happens in the home country are less sensitive to randomness as they are more grounded on factual daily routine. As a consequence, it is quite possible that our instruments are correcting, at least partially, an attenuation bias in the OLS estimates.

Another potential explanation for the difference between the two estimates is that our IV estimate a local average treatment effect (LATE), which is the average effect among compliers. It is difficult, in our setting, to distinguish this group of individuals who strongly and monotonically react to the instruments in the expected direction. Notwithstanding, in an effort to give some insights on the possibly local effect of our IV estimates, we proceed with the following experiment. In an analogy with the literature on treatment effects and identification using IV strategies (Angrist et al., 1996; Angrist and Pischke, 2008), we select all the individuals who do exactly what the instruments prescribe and we call them "compliers". In our setting, these are those that identify with the home and host countries when the corresponding instruments are switched on, and do not do so when, otherwise, instruments are turned off. Formally, let D_{1i}^{Home} and D_{1i}^{Host} be the treatment statuses of *Home identity* and *Host identity* for each individual

Table 9: Difference between OLS and 2SLS. Compliers and Defiers

	Dependent: Employment status	
	Compliers	Defiers
	(1)	(2)
Home identity	0.3469***	0.1087*
	(0.1031)	(0.0622)
Host identity	0.3103***	0.0803
	(0.1011)	(0.0590)
Home × Host	-0.2529**	-0.0786
	(0.1048)	(0.0621)
Linear combinations: acculturation hypothesis		
Integrated	0.4043***	0.1104*
(Home + Host + Home × Host)	(0.1024)	(0.0600)
Integrated - Assimilated	0.0940*	0.0301
(Home + Home × Host)	(0.0536)	(0.0283)
Integrated - Separated	0.0574***	0.0017
(Host + Home × Host)	(0.0163)	(0.0222)
Assimilated - Separated	-0.0366	-0.0283
(Host - Home)	(0.0500)	(0.0344)
Individual controls	yes	yes
Municipality × Origin FE	yes	yes
Week & DoW × Place FE	yes	yes
R^2	0.554	0.617
Observations	4730	3971
Countries of origin (#)	109	109
Municipalities (#)	205	195
Mean dependent	0.8352	0.8062

Notes. Linear probability model estimates. The dependent variable is a dummy equal to 1 for employed and 0 otherwise. All regressions include individual controls, municipality × country of origin, week and day of week × place of interview fixed effects. Individual controls are: Proficiency in Italian language, Years in Italy (and its square), Age (and its square), Male, Compulsory school, High school, BA degree +, Having children, Married and Religion dummies. The linear combinations report the estimates of the acculturation strategies; accordingly, *Home identity* and *Host identity* identify the separation and assimilation strategies respectively, while the effect of integration is given by the sum of the coefficients of *Home identity*, *Host identity* and *Home identity × Host identity*. Sample weights used. Robust standard errors clustered at municipality level in parentheses; *** $p < 0.01$, **$p < 0.05$, *$p < 0.1$.

i when the corresponding instruments, *Interest in home country* and *Italian language at home*, are equal to one, and D_{0i}^{Home} and D_{0i}^{Host} those when instruments are equal to zero.[26] Thus, we create

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[26]Formally, for each individual *i*, $D_{1i}^{Home} \equiv$ *Home identity*$_i|_{Interest\ in\ home\ country_i=1}$ and $D_{0i}^{Home} \equiv$ *Home identity*$_i|_{Interest\ in\ home\ country_i=0}$. Similarly, $D_{1i}^{Host} \equiv$ *Host identity*$_i|_{Italian\ language\ at\ home_i=1}$ and $D_{0i}^{Host} \equiv$ *Host identity*$_i|_{Italian\ language\ at\ home_i=0}$.

the dummy *Compliers* as follows:

$$
Compliers = \begin{cases} 1 & \text{when} & \left(D_{1i}^{Home} = 1 \bigcup D_{0i}^{Home} = 0\right) \bigcap \left(D_{1i}^{Host} = 1 \bigcup D_{0i}^{Host} = 0\right) \\ 0 & \text{otherwise,} \end{cases} \tag{2}
$$

and define *Compliers* as those for whom the dummy is equal to one and *Defiers* as those for whom it is equal to zero as they do the exact opposite of what the instruments would prescribe.

Next, we re-run our baseline OLS estimates within the two subgroups. Estimates, reported in Table 9, confirm that our main results remain valid and are especially driven by the group of compliers, where coefficients are statistically significant and with the expected sign (col. 1). Within defiers (col. 2), instead, almost all the coefficients are not statistically significant and barely significant those for *Separated* and *Integrated* alone.

Astonishingly, among compliers point estimates are about 2.5 times larger than the OLS in column (1) of Table 8 (i.e., within the IV sample), closing the gap with the IV estimates by 50-60 percent of the initial difference between IV and OLS. Clearly, results of this exercise in column (1) of Table 9 are not directly comparable with the IV estimates as the two estimations are executed on different samples, with the former being based on a subsample of that on which the latter are identified. Nevertheless, in principle one should not need to expect this pattern since instruments by themselves do not exercise any mechanical influence on the point estimates. Hence, these findings can still give us some sense of the importance of local effect and selection behind the difference between OLS and IV estimates.

4 Sources of the Economic Effects of Integration

So far, we have established that integrated immigrants, who have a strong sense of belonging to both the host and home country, are more likely to be employed than all the others – assimilated, separated and marginalized immigrants. Thus, in this section we turn our attention to the possible sources of this differentiated performance as well as to other potentially economic effects of integration. To this end, we focus on integrated immigrants and estimate the following model:[27]

$$
y_{iom} = \beta \, Integrated_{iom} + \mathbf{X}'_{iom}\delta + \alpha_{om} + \lambda_w + \mu_{dp} + \varepsilon_{iom}, \tag{3}
$$

where *Integrated*$_{iom}$ is the dummy equal to one if immigrants i from country of origin o in the Italian municipality m answer "Enough" or "Very Much" to both home and host country identity questions and zero otherwise.

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[27]Results of the full model of the four acculturation strategies are presented in Tables A.13-A.19 in the Appendix.

We explore different outcomes, y_{iom}. We continue to analyze the effects on the overall employment status using the dummy *Employment* equal to one if the immigrant is employed and zero otherwise. We also focus on the employed individuals and examine whether the integration status also affects the probability of being employed in particular sectors of economic activity. We estimate separate regressions using six mutually-exclusive dummies; *Agriculture*, *Industry*, *Commerce*, *Service to firms*, *Service to people* and *Other*, each of them taking value one if immigrants are employed in the specific sector and zero if employed in the other sectors.[28] Further, we explore the effects of integration on the intensive margin of immigrants' economic performance. Exploiting survey information about labor income, we use two variables; *Income classes*, collected as an eight-class measure and, for robustness, *Income dummy* equal to one for incomes greater than 1000 Euros and zero otherwise. Moreover, we present more direct evidence on the networks and types of communities that integrated immigrants (are willing to) join and interact with. We look at the friends network using three dummies; *Foreign, Italian* and *Both*, each of them equal to one if immigrants have friends, respectively, mainly foreign, mainly Italian or of both nationalities, and zero otherwise. Similarly, we analyze the type of associations immigrants join using four dummies; *Foreign, Italian, Both* and *No association*, each of them equal to one if immigrants actively take part in associations constituted mainly by foreigners, mainly by Italians, by both groups or if they do not join any associations, and zero otherwise. Lastly, we explore whether the integrated are more prone to interact with different ethnicities by analyzing whether they agree that their sons and daughters should marry Italian citizens; we use two dummies, *Son* and *Daughter*, each of them equal to one if immigrants answer "Enough" or "Very much" to the survey question "Would you agree with your son (daughter) marrying an Italian?" and zero if the answer is "Far Too Little" or "Little".

Following our main empirical strategy, in our specifications we always include the vector $\mathbf{X}_{iom}$ of basic individual-level characteristics and the set of municipality by country of origin (α_{om}), week (λ_w) and day of the week by place of interview (μ_{dp}) fixed effects, to which we also add age at arrival by years in Italy fixed effects to strengthen our identification (see Table 6 in Section 3.3).[29] Below, we report linear probability (OLS) and instrumental variables estimates, using as instrument for the dummy *Integrated* the indicator function taking value one if *Interest in home country* and *Italian language at home* are equal to one and zero otherwise.

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[28]Such an exercise should be performed through Multinomial logit estimations. However, the large number of fixed effects makes such an approach computationally unfeasible. Notwithstanding, in Table A.12 in the Appendix we show that OLS and Multinomial logit estimates from basic models without fixed effects return very similar results, both in statistical significance and magnitude of the coefficients. Results are also robust to the inclusion of the unemployed category in the sector employment dummies.

[29]Results are robust to excluding these age at arrival by years in Italy fixed effects and are available upon request.

4.1 Results

Heterogeneous Effects of Integration Table 10 presents the first set of results. Panel A and B report OLS and 2SLS estimates, where the variable of interest is the dummy *Employment* while the main explanatory variable is the dummy *Integrated*; thus, coefficient β now identifies the employment prospects of integrated immigrants with respect to those not integrated ones – assimilated, separated and marginalized. Panel C presents first stage results showing that, across all specifications, the instrument $\mathbb{I}$ *(Interest in home country & Italian language at home)* is a statistically significant and strong predictor of *Integrated* (the Kleibergen-Paap F-statistic is always very large).

To start with, columns (1) and (2) validate our main results that integrated immigrants have an employment probability greater than that of all the others. The 2SLS estimates continue to be larger than their OLS counterparts; depending on the specification without (col. 1) or with (col. 2) age at arrival by years in Italy fixed effects, 2SLS coefficients in Panel B are, respectively, 9 or 5 times larger than OLS ones in Panel A, implying that integrated immigrants are about 23 percentage points more likely to be employed than non-integrated individuals (col. 2).

Thus, in columns (3)-(10) we explore possible sources of this result splitting the sample across some relevant characteristics of the individuals. Columns (3) and (4) report estimates for gender subsamples and show that the OLS effect of integration is stronger among the female group. 2SLS estimates increase by a factor of ten with respect to the OLS for the subsample of women, and decrease up to statistical insignificance for the male group. This differentiated pattern is not ascribable to weakness of the instrument as for both cases the first stage Kleibergen-Paap F-statistic is very large. It seems, instead, a signal that integration does matter exactly for those who need it the most, women in this case, who generally face stronger barriers to entry in the labor market than men. Our 2SLS findings indicate, indeed, that the employment probability of integrated women is 69 percentage points higher than that of non-integrated women (col. 4, panel B) as well as 24 percentage points statistically significantly greater than that of the integrated men (results from using the whole sample with interaction terms are available upon request). Decomposition along the four acculturation strategies reported in Table A.13 in the Appendix further highlights that this effect is particularly driven by the higher employment rates of integrated women with respect to those assimilated and separated even though, unlike our baseline predictions, assimilated women have a higher probability of employment than that of the separated. Conversely, no such pattern emerges for the male group, for which none of the acculturation strategies outperforms the others.

Next, we consider the effects of splitting the sample among immigrants below and above the median length of time in Italy (6 years) and the median age at arrival in Italy (27 years old). Looking at the heterogeneity by years in Italy, columns (5) and (6) show that 2SLS estimates

Table 10: Heterogeneous Gains from Integration

	Baseline Estimates		Gender		Years in Italy		Age at arrival		Education	
			Male	Female	Short	Long	Young	Old	Low	High
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	Dependent variable (panel A & B): Employment status									
	**Panel A: OLS Estimates**									
Mean dependent var. (OLS & 2SLS)	0.8221	0.8221	0.8145	0.8318	0.7376	0.8955	0.8331	0.8106	0.8023	0.8340
Integrated	0.0315***	0.0427***	0.0374**	0.0643***	0.0710***	0.0123	0.0239	0.0890***	0.0723***	-0.0048
	(0.0092)	(0.0110)	(0.0146)	(0.0180)	(0.0200)	(0.0157)	(0.0181)	(0.0216)	(0.0212)	(0.0154)
	**Panel B: 2SLS Estimates**									
Integrated	0.2872***	0.2285**	-0.0110	0.6882***	0.3879***	0.0748	0.2535**	0.4229**	0.3050*	0.2594*
	(0.0989)	(0.0899)	(0.0974)	(0.2417)	(0.1298)	(0.0962)	(0.0986)	(0.1818)	(0.1803)	(0.1391)
	**Panel C: First Stage Estimates** — Dependent variable: Integrated									
Mean dependent var.	0.4996		0.4929	0.5081	0.4241	0.5652	0.5205	0.4777	0.4343	0.5389
$\mathbb{1}$ (Interest in home country & Italian language at home)	0.1335***	0.1592***	0.1781***	0.1306***	0.1523***	0.1683***	0.2282***	0.1119***	0.1787***	0.1671***
	(0.0227)	(0.0208)	(0.0365)	(0.0281)	(0.0308)	(0.0331)	(0.0294)	(0.0294)	(0.0451)	(0.0272)
Kleibergen-Paap F-statistic	34.441	58.686	23.847	21.637	24.483	25.940	60.215	14.467	15.710	37.644
Individual controls	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Municipality × Origin FE	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Week & DoW × Place FE	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Age at arrival × Years in Italy FE	no	yes	yes	yes	yes	yes	yes	yes	yes	yes
Observations	8701	8701	4966	3735	4369	4332	4417	4284	3518	5183
Countries of origin (#)	121	121	105	108	107	113	109	108	92	116
Municipalities (#)	219	219	190	203	206	192	188	209	197	196

Notes. All regressions include municipality × country of origin, week and day of week × place of interview fixed effects. Individual controls are: Proficiency in Italian language, Years in Italy and Age (and their square), Male, Compulsory school, High school, BA degree +, Having children, Married and Religion dummies. From column (2) onward, we also introduce age at arrival × years in Italy fixed effects and drop Years in Italy and Age (and their square) from the base set of individual characteristics. We exclude the Male dummy in columns (3) and (4), and the education dummies in columns (9) and (10). Sample weights used. Robust standard errors clustered at municipality level in parentheses; *** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$.

homogeneously increase by a factor of about five across the two subgroups of *Short* and *Long* stay immigrants, but only coefficients for immigrants in Italy since a short period are statistically significant. Again, those who benefit relatively more from the integration process appear the most vulnerable, who are now immigrants with little experience in Italy and, hence, with possibly small networks as well as low adaptation and specific human capital to spend on the labor market. A similar prediction emerges when distinguishing *Young* and *Old* immigrants by their age at arrival in Italy. According to results in columns (7) and (8), 2SLS estimates are statistically significant for both immigrants arriving in their youth and adulthood but the 2SLS coefficient is greater for immigrants arrived at a mature age (i.e., Old) who potentially have a high attachment to the original ethnic culture and encounter bigger obstacles and frictions during their adaptation and learning process (language, specific human capital, and so on). These findings are also supported by the breakdown into the four acculturation identities according to which, in line with our main results, integrated immigrants for a short time in Italy and arriving in Italy in adulthood are more likely to be employed than assimilated, separated and marginalized, while no statistically significant differences arise for the corresponding opposite groups (Tab. A.13 in the Appendix).

Lastly, in columns (9) and (10), we look separately at the effects of integration for low educated, with no or compulsory education, and highly educated immigrants, with high school,

a bachelor's degree or higher degree. The 2SLS estimates are statistically significant and substantially increase with respect to those of OLS for both groups and, although the coefficient for low educated integrated immigrants is higher than that for the highly educated group, the difference between the two is not significantly different from zero at conventional significance levels. Consistently, we do not detect any statistically significant difference in the coefficients of the various acculturation strategies for the two groups of low and highly educated immigrants (Tab. A.13 in the Appendix).

Taking stock, these findings, rather than pointing to a direct effect of identity through a human capital channel, suggest that the positive effect of integration on employment is especially driven by the advantages generated by identification with, and membership of, extended communities that allow members to benefit from an enlarged set of job market information and positive peer effects. To corroborate this interpretation, in Table 11 we present more direct evidence on the networks and types of communities that integrated immigrants (are willing to) join and interact with. Columns (1)-(3) shows that integrated immigrants are more likely to have both Italian and foreign friends and less likely to have only foreign friends, especially, as expected, with respect to the separated and marginalized immigrants (Tab. A.16 in the Appendix).[30] Likewise, the last columns establish that integrated immigrants are more likely to join associations of both Italians and foreigners and less likely not to participate at all in any associations (cols. 4-7) as well as to agree that their children, both sons and daughters, marry an Italian citizen (cols. 8-9).

Sector and Income Effects of Integration   The last piece of evidence we present in Table 12 tries to substantiate the above findings by investigating whether the highest employment probability of the integrated immigrants is triggered by specific advantages in some sectors of economic activity and if integration also affects the intensive margin of their economic performance. To this end, the variables of interest become the six sectors of economic activity dummies (*Agriculture*, *Industry*, *Commerce*, *Service to firms*, *Service to people* and *Other*) in columns (1)-(6), and the two income measures in columns (7) and (8). In these two latter specifications we also include the full set of sector fixed effects.

Results from 2SLS estimations indicate that integrated immigrants are 28 and 16 percentage points more likely to be employed in, respectively, the *Industry* and *Service to people* sectors, while they are about 32 percentage points less likely to work in the *Commerce* sector. Since it is very likely that occupation in the commerce sector is mostly facilitated by the identification with and participation in one's own ethnic community (i.e., small ethnic shops), we interpret these findings as evidence that absorbing also the country of destination culture causes in-

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[30]We also find evidence that assimilated immigrants are less likely to have only foreign friends and more likely to have only Italian friends than separated immigrants do (Tab. A.16 in the Appendix).

Table 11: Network Mechanisms. Friends, Associations and Marriage Choices

	Dependent variable (Panel A & B)								
	Friends' type			Association composed by				Agree to Marry Italian	
	Foreign	Italian	Both	Foreign	Italian	Both	No association	Son	Daughter
Mean dependent var.	0.5058	0.1587	0.3355	0.0812	0.0362	0.0993	0.7833	0.7715	0.7108
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Panel A: OLS Estimates									
Integrated	-0.1490***	0.0117	0.1374***	0.0005	0.0078	0.0403***	-0.0485**	0.1039***	0.1264***
	(0.0258)	(0.0159)	(0.0180)	(0.0126)	(0.0058)	(0.0105)	(0.0188)	(0.0177)	(0.0186)
Panel B: 2SLS Estimates									
Integrated	-0.8850***	0.3815***	0.5035***	0.1113	0.1042***	0.1757**	-0.3912***	0.4809***	0.5021***
	(0.1844)	(0.0911)	(0.1628)	(0.0719)	(0.0383)	(0.0721)	(0.1104)	(0.1298)	(0.1107)
Panel C: First Stage Estimates									
Dependent variable: Integrated									
$\mathbb{I}$ (Interest in home country & Italian language at home)		0.1485***				0.1516***		0.1460***	0.1391***
		(0.0232)				(0.0226)		(0.0221)	(0.0213)
Kleibergen-Paap F-statistic		41.023				45.079		43.650	42.641
Individual controls	yes	yes	yes	yes	yes	yes	yes	yes	yes
Municipality × Origin FE	yes	yes	yes	yes	yes	yes	yes	yes	yes
Week & DoW × Place FE	yes	yes	yes	yes	yes	yes	yes	yes	yes
Age at arrival × Years in Italy FE	yes	yes	yes	yes	yes	yes	yes	yes	yes
Observations	10034	10034	10034	9861	9861	9861	9861	9200	9152
Countries of origin (#)	122	122	122	120	120	120	120	122	122
Municipalities (#)	227	227	227	227	227	227	227	221	221

Notes. All regressions include basic individual controls, municipality × country of origin, week, day of week × place of interview and age at arrival × years in Italy fixed effects. Individual controls are: Proficiency in Italian language, Male, Compulsory school, High school, BA degree +, Having children, Married and Religion dummies. Sample weights used. Robust standard errors clustered at municipality level in parentheses; *** $p < 0.01$, **$p < 0.05$, *$p < 0.1$.

tegrated immigrants to be discriminated against by their country of origin group and to bear psychological and transaction costs without any additional returns. Consistently, in Table A.18 in the Appendix we show that separated immigrants, who focus on the social norms and behavior rules of their origin ethnic group, are 26 percentage points more likely than integrated ones to work in the commerce sector. Conversely, we find that in the industry and service sectors the interaction with both dominant and minority ethnic groups widens the spectrum of the networks and information sets that allow integrated immigrants to be more likely to find a job, especially with respect to the assimilated and separated individuals (Tab. A.18).

Finally, the last two columns of Table 12 show that integration status does not affect the intensive margin of the economic performance since there is no statistically significant difference in the income prospects of integrated and non-integrated immigrants when we use either the eight-class measure of income (col. 7) or the dummy variable equal to one for incomes greater than 1000 Euros and zero otherwise (col. 8). These findings are hardly reconcilable with the idea that identity affects the labor market performance of immigrants by directly boosting their human capital or ability. They are, instead, consistent with the hypothesis that the impact of identity is actually driven by the effect that the (act of) belonging to communities or the corresponding breaking of social norms of one's own social group has on access to the labor market through in-group favoritism and information sharing.

Table 12: Effects of Integration on Sector Employment and Income

	Dependent variable (Panel A & B)							
	Employment in						Income	
	Agriculture	Industry	Commerce	Service firms	Service people	Other	Classes	Dummy
Mean dependent var.	0.0262	0.1990	0.1988	0.1168	0.2957	0.1634	2.5613	0.3316
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Panel A: OLS Estimates								
Integrated	0.0020	0.0240	-0.0405*	0.0179	-0.0004	-0.0030	0.0359	0.0046
	(0.0053)	(0.0162)	(0.0238)	(0.0165)	(0.0125)	(0.0157)	(0.0565)	(0.0145)
Panel B: 2SLS Estimates								
Integrated	0.0490	0.2828***	-0.3286**	0.0231	0.1622*	-0.1885**	-0.1701	-0.1473
	(0.0350)	(0.0884)	(0.1274)	(0.1073)	(0.0877)	(0.0874)	(0.3665)	(0.0945)

Panel C: First Stage Estimates
Dependent variable: Integrated

Mean dependent var.				0.5138				0.5006
$\mathbb{I}$ (Interest in home country & Italian language at home)				0.1598*** (0.0237)				0.1519*** (0.0283)
Kleibergen-Paap F-statistic				45.572				28.871
Individual controls	yes	yes	yes	yes	yes	yes	yes	yes
Municipality × Origin FE	yes	yes	yes	yes	yes	yes	yes	yes
Week & DoW × Place FE	yes	yes	yes	yes	yes	yes	yes	yes
Age at Arrival × Years in Italy FE	yes	yes	yes	yes	yes	yes	yes	yes
Sector FE	no	no	no	no	no	no	yes	yes
Observations	7582	7582	7582	7582	7582	7582	8778	8778
Countries of origin (#)	117	117	117	117	117	117	119	119
Municipalities (#)	217	217	217	217	217	217	224	224

Notes. All regressions include basic individual controls, municipality × country of origin, week, day of week × place of interview and age at arrival × years in Italy fixed effects. Individual controls are: Proficiency in Italian language, Male, Compulsory school, High school, BA degree +, Having children, Married and Religion dummies. Sample weights used. Robust standard errors clustered at municipality level in parentheses; *** $p < 0.01$, **$p < 0.05$, *$p < 0.1$.

As the last validation of this interpretation, in Table A.20 in the Appendix we also show that our results remain stable and point estimates virtually identical when we replicate the (sector) employment and income analyses, using as explanatory variable a proxy for the intensity of integration, instead of the integration dummy.[31]

5 Concluding Remarks

Immigrants' integration in Europe represents a priority in the political agenda of the European Community. Many studies recently carried out in several European countries indicate that self-identification with the culture and customs of the country of destination improves the economic inclusion of immigrants, while a strong ethnic identity has, if any, a detrimental impact. Yet, evidence about Italy is quite scant. To our knowledge, this is the first paper exploring the integration process of immigrants in Italy which challenges this view.

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[31]To proxy the intensive margin measure of integration, we use the variable *Degree of Integration* equal to the average answers to the home and host country identity questions, which we code from 1 to 4, with 1 corresponding to "Far Too Little" and 4 to "Very Much". Likewise, we instrument it with the variable *Degree of Interest and Language use* equal to the average answers to the questions about language use, coded on a scale from 1 to 5, and interest in home country, which we code from 1 to 4, with 1 corresponding to "Far Too Little" and 4 to "Very Much".

We provide strong and robust evidence that immigrants with stronger feelings of belonging to both the host and home societies have higher employment rates, while identification solely with the host country's culture does not necessarily provide a clear labor market advantage. Our main results emphasize that integrated immigrants, who simultaneously retain a strong ethnic identity and absorb the identity of the host country, have the highest probability of being employed in Italy. By contrast, assimilated immigrants, who strongly identify with the host country while rejecting their home country's identity, are no more likely to be employed than separated immigrants who retain a strong sense of identity only with their original ethnic group, while rejecting the majority culture of the host country.

Analysis of the potential mechanisms suggests that, although simultaneous identification with both host and home country groups can be costly, the positive effect of multiple social identities is especially triggered by the enlarged set of job market information and in-group favoritism that membership of extended communities ensures. We corroborated this idea first by showing that integration benefits to a greater extent the less secure and more discriminated individuals who generally face stronger barriers to entry in the labor market; specifically, women, irregular migrants as well as immigrants with little experience in Italy and arriving in Italy at older ages. We then presented direct evidence on the networks and types of communities that integrated immigrants (are willing to) join and interact with, showing that integrated immigrants are more likely to have both Italian and foreign friends, to join associations of both Italians and foreigners as well as agree that their children marry an Italian. We further show that integration status guarantees an employment probability premium in industry and services sectors but it penalizes entry into commerce and it does not affect labor income.

Our results have an important policy implication, highlighting the fact that integration policies which promote full assimilation models, i.e. policies that push for greater identification with the destination country, without allowing for immigrants to retain their origin culture, could be ineffective or, at least, not ensure the best potential pay-off for foreigners.

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Appendix - Not for Publication

Additional Figures

Figure A.1: Migrants' Share by Country of Origin
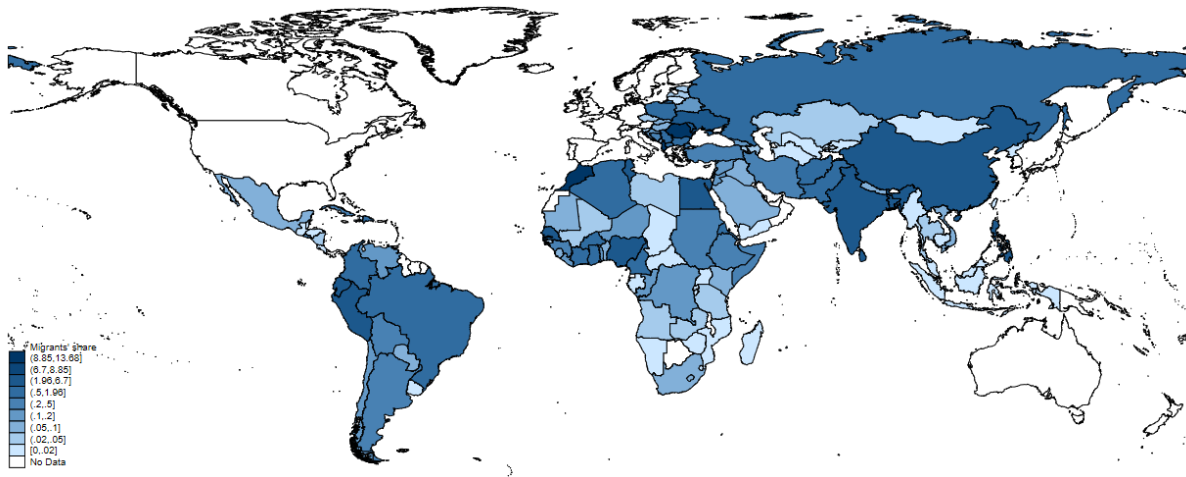
Figure A.2: Municipality Location and Migrants' Share
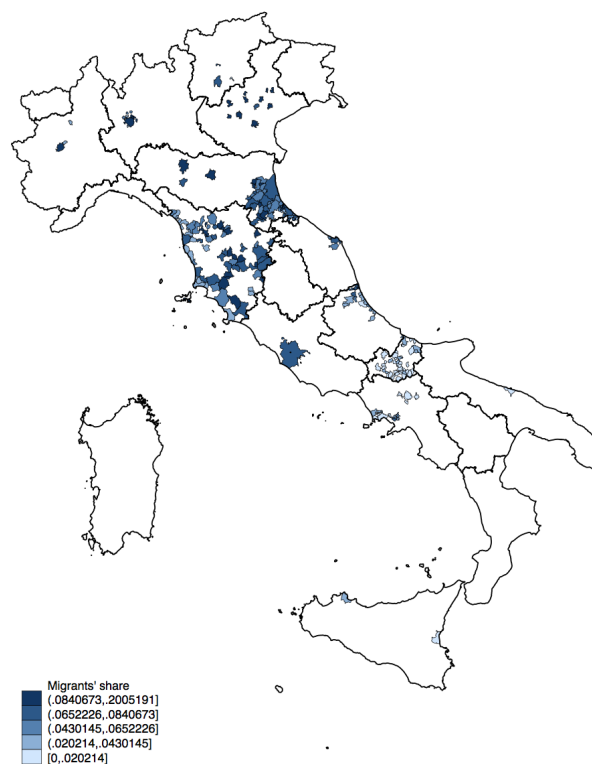
Figure A.3: Data Validation

Panel A: Unweighted Share of Migrants from Survey (ISMU)
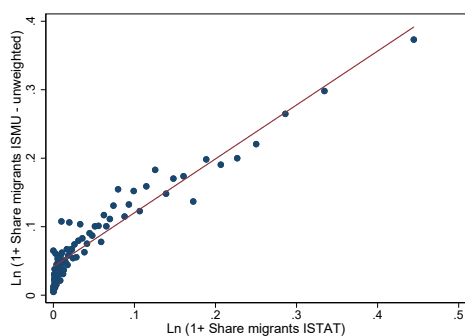
(a) Unconditional
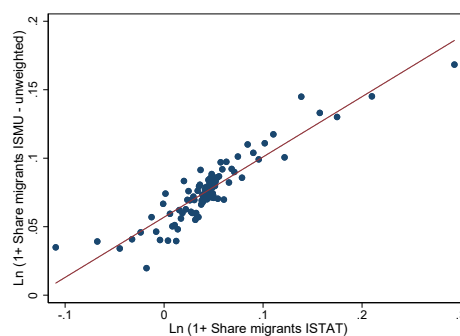
(b) Conditional on municipality and country of origin FE

Panel B: Weighted Share of Migrants from Survey (ISMU)
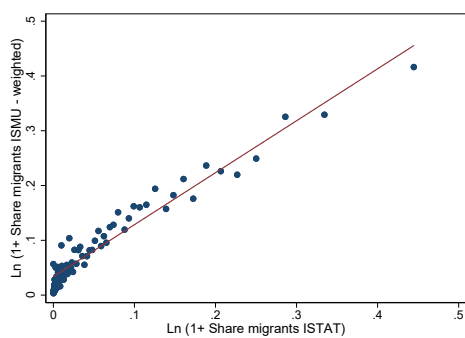
(c) Unconditional
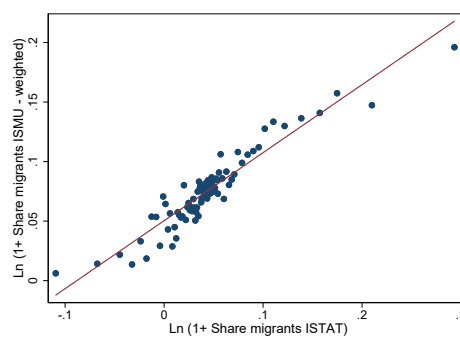
(d) Conditional on municipality and country of origin FE

Notes. Binned scatter of log of (1+) the share of migrants from country of origins *o* in municipality *m* as computed from the survey ISMU on log of (1+) the share of migrants from country of origins *o* in municipality *m* from the official census (ISTAT) at January 2008, with (Panel A) and without (Panel B) sample weights.

Figure A.4: Heterogeneous Effects of Age at Arrival and Years in Italy on Acculturation Strategies
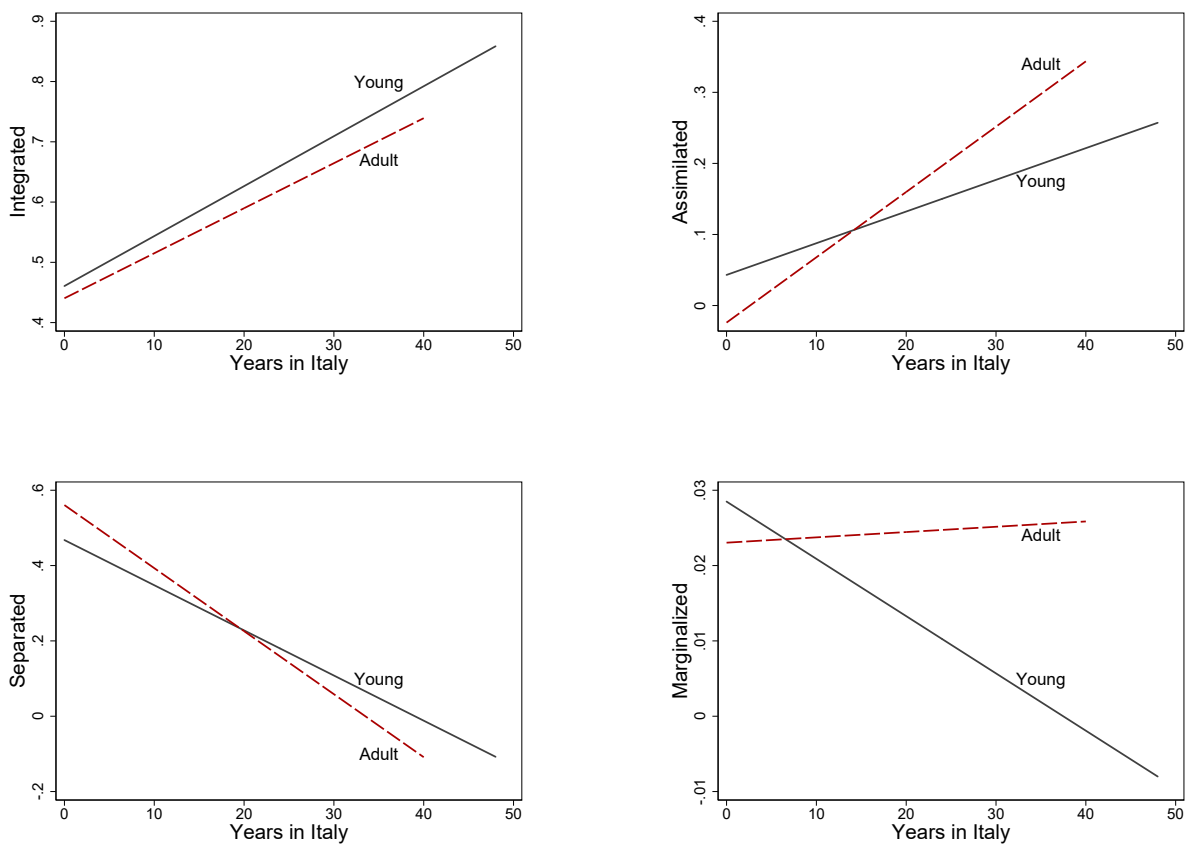
Notes. Linear fits. Young (Adult) are immigrants with *Age at Arrival* below (above) the median age of 27 years old.

Figure A.5: Trimming Municipalities by Total Population
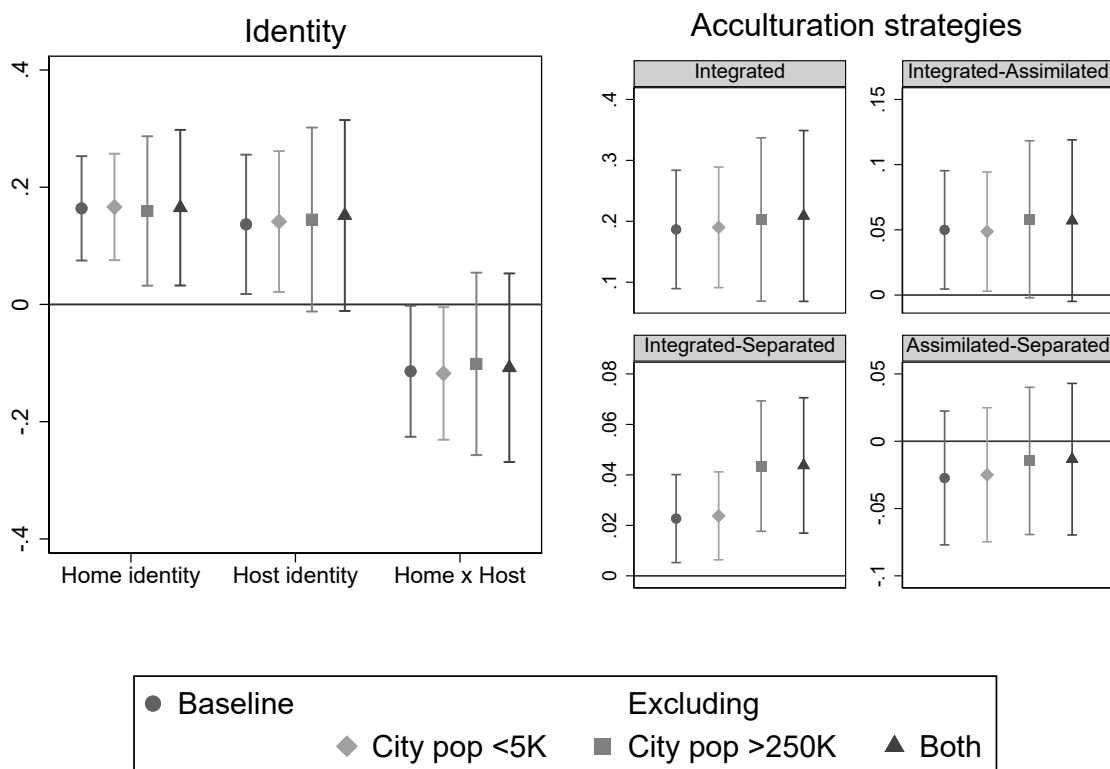
Notes. The figure displays the estimated coefficients of identity variables on employment as well as their linear combination capturing the effects of the acculturation strategies when we exclude the smallest and biggest municipalities, separately and jointly. Official statistics for municipalities' total population are from ISTAT at January 2007. Full regressions are available upon request. Intervals reflect 95% confidence levels.

Figure A.6: Trimming Municipalities by Share and Density of Migrants
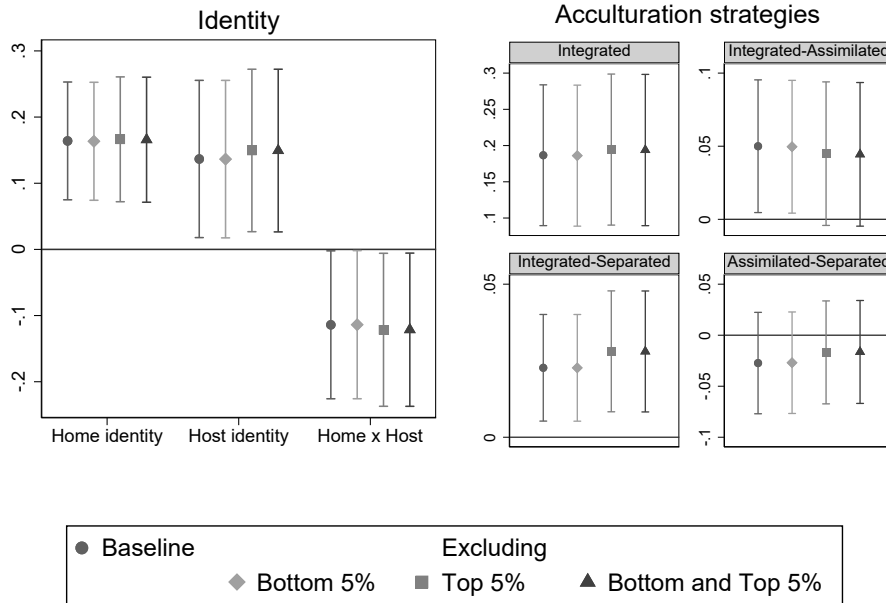
(a) Migrants' share of population
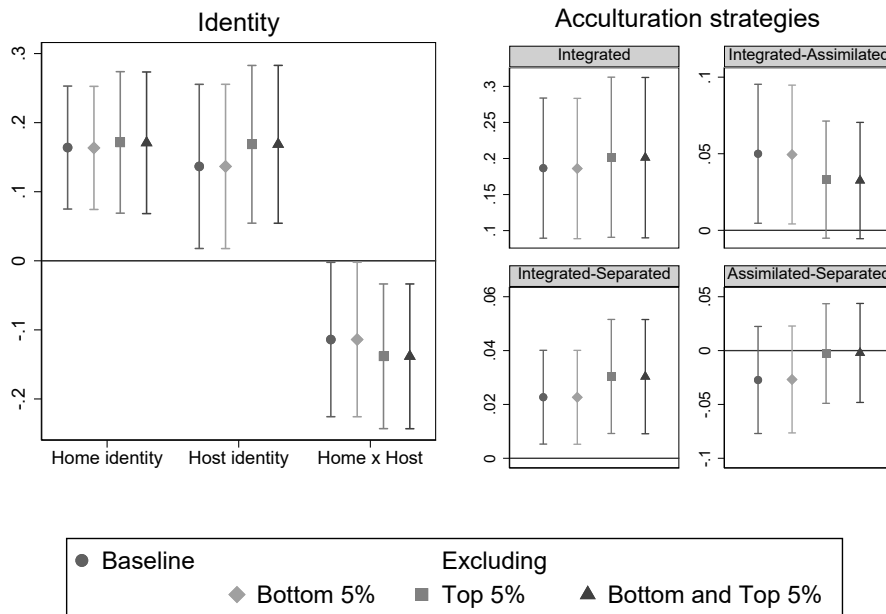
(b) Migrants' density (per km^2)

Notes. The figures display the estimated coefficients of identity variables on employment as well as their linear combination capturing the effects of the acculturation strategies when we exclude the bottom and top 5% of municipalities in the municipalities' distribution of migrants' share of population and migrants' density per km^2, separately and jointly. Official statistics for overall migrants' share of population and migrants' density per km^2 are from ISTAT at January 2007. Full regressions are available upon request. Intervals reflect 95% confidence levels.

Figure A.7: Trimming Municipalities by Unemployment Rate and Per-capita Income
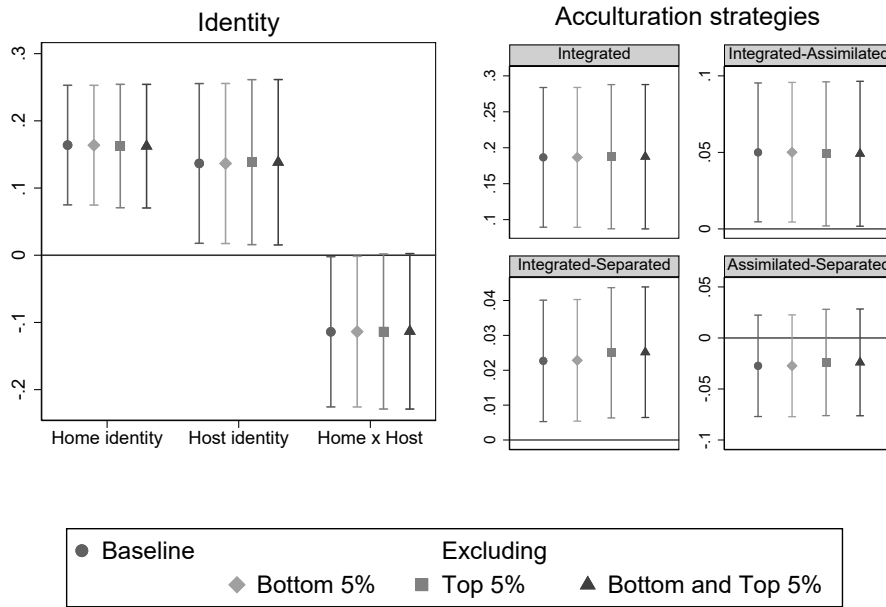
(a) Unemployment rate
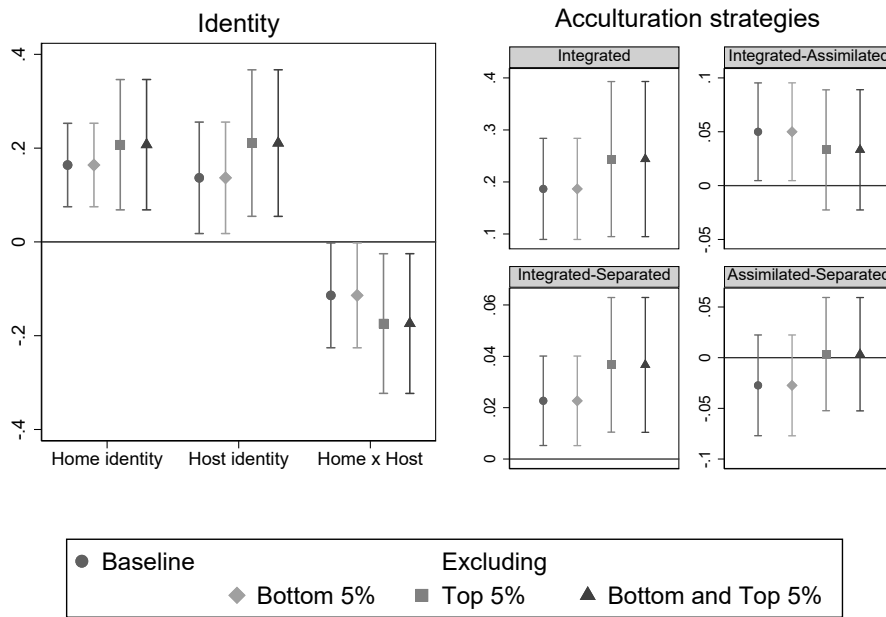
(b) Income per-capita

Notes. The figures display the estimated coefficients of identity variables on employment as well as their linear combination capturing the effects of the acculturation strategies when we exclude the bottom and top 5% of municipalities in the municipalities' distributions of unemployment rate and per-capita income, separately and jointly. Unemployment rate is the average of the municipality unemployment rates in 2001 and 2011 obtained from official census (ISTAT). Municipality per-capita income is the per-capita average taxable incomes in 2008 (incomes 2007) from The Ministry of Economy and Finance. Full regressions are available upon request. Intervals reflect 95% confidence levels.

Figure A.8: Trimming Municipalities by cells of Countries of Origin and Ethnic Shares of Municipalities
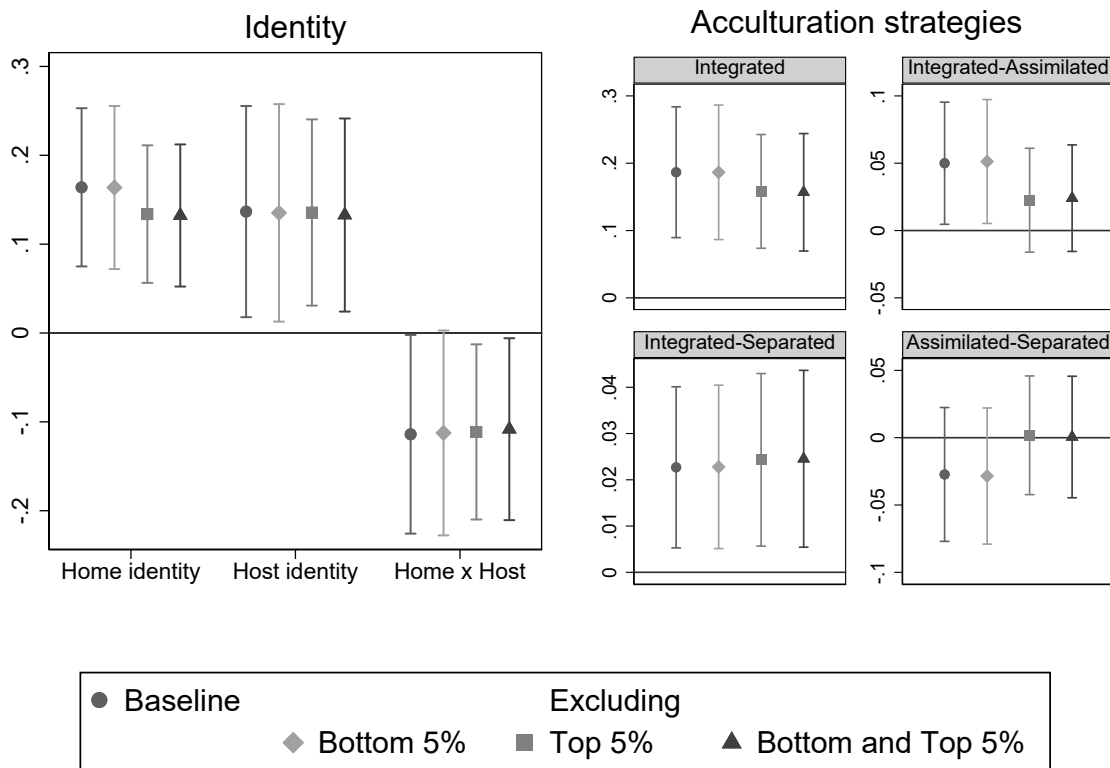
Notes. The figure displays the estimated coefficients of identity variables on employment as well as their linear combination capturing the effects of the acculturation strategies when we exclude the bottom and top 5% of municipality-ethnic groups in the distribution of ethnic shares by municipalities, separately and jointly. Ethnic share are the shares of each ethnic group over total municipality population. Data are official statistics from ISTAT. Full regressions are available upon request. Intervals reflect 95% confidence levels.

Figure A.9: Trimming Countries of Origin by Linguistic and Religious Distance
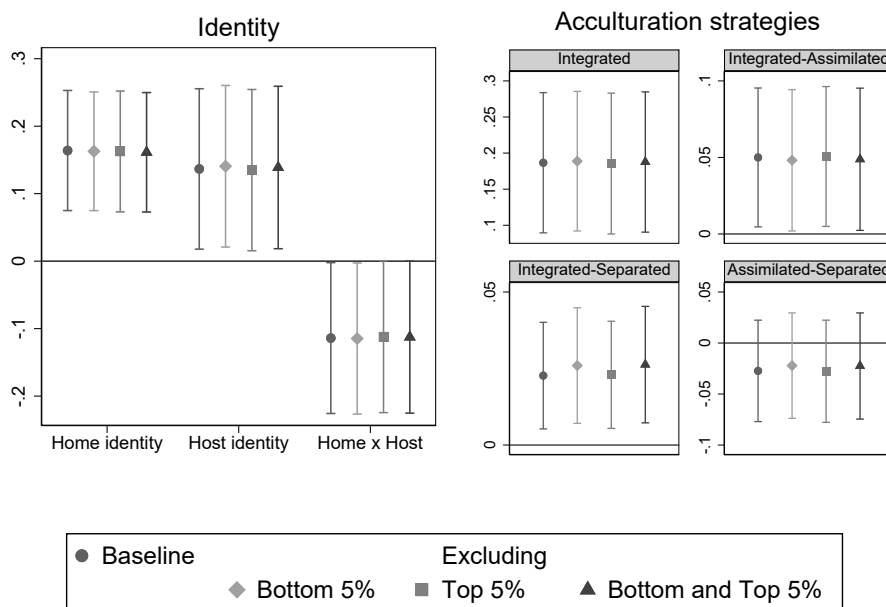
(a) Linguistic distance
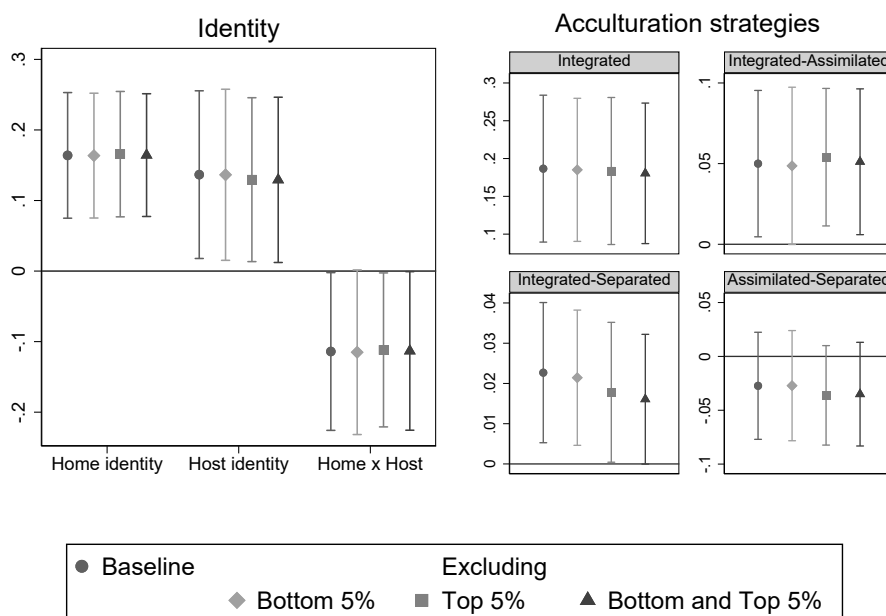
(b) Religious distance

Notes. The figure displays the estimated coefficients of identity variables on employment as well as their linear combination capturing the effects of the acculturation strategies when we exclude the bottom and top 5% of countries of origins in the distributions of linguistic and religious distances, separately and jointly. Linguistic and religious distances between Italy and sending countries are from Spolaore and Wacziarg (2016). Full regressions are available upon request. Intervals reflect 95% confidence levels.

Figure A.10: Trimming Countries of Origin by Genetic and Geographic distance
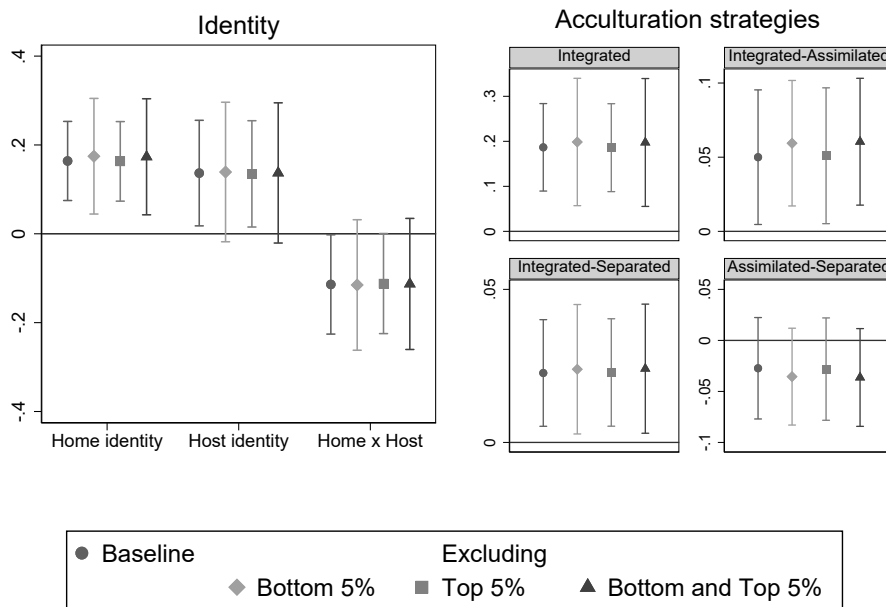
(a) Genetic distance
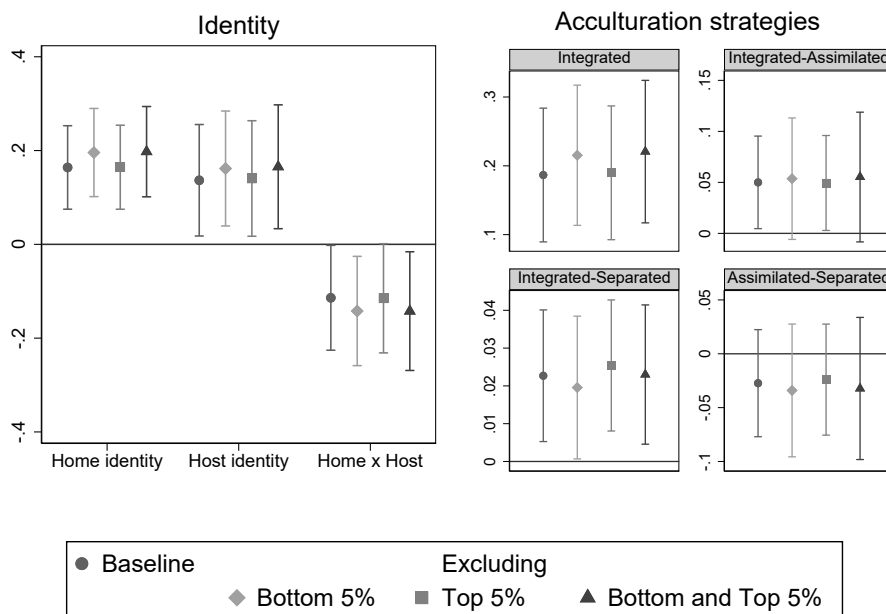
(b) Geographic distance

Notes. The figure displays the estimated coefficients of identity variables on employment as well as their linear combination capturing the effects of the acculturation strategies when we exclude the bottom and top 5% of countries of origins in the distribution of genetic and geographic distances, separately and jointly. Genetic distances between Italy and sending countries are from Spolaore and Wacziarg (2016). Geographic distance is the distance between Italian and sending countries capitals from Mayer and Zignago (2011). Full regressions are available upon request. Intervals reflect 95% confidence levels.

Additional Tables

Table A.1: Data Validation on Official Census (ISTAT)

	Dependent: Ln (1 + Share migrants ISMU)			
	Unweighted		Weighted	
	(1)	(2)	(3)	(4)
Ln (1 + Share migrants ISTAT)	0.7871***	0.4399***	0.9486***	0.5713***
	(0.0231)	(0.0212)	(0.0227)	(0.0225)
Municipality FE	no	yes	no	yes
Country of origin FE	no	yes	no	yes
Adjusted R^2	0.302	0.765	0.394	0.763
Observations	2681	2681	2681	2681
Municipalities (#)	233	233	233	233
Countries of origin (#)	127	127	127	127

*Notes.* Units are 2681 municipality-country of origin pairs. The dependent variable is the log of (1+) the share of migrants from country of origin o in municipality m as computed from the survey ISMU, with and without employing sample weights. The independent variable is the log of (1+) the share of migrants from country of origin o in municipality m from the official census (ISTAT) in January 2008. *** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$.

Table A.2: Summary Statistics. OLS Base Sample

	Observation	Mean	Std. Dev.	Min	Max	Equality of Means wrt full sample (p-value)
Employment	9081	0.819	0.385	0	1	0.876
Home identity	9081	0.911	0.284	0	1	0.596
Host identity	9081	0.568	0.495	0	1	0.958
Integrated	9081	0.498	0.500	0	1	0.820
Assimilated	9081	0.069	0.254	0	1	0.821
Separated	9081	0.413	0.492	0	1	0.977
Marginalized	9081	0.019	0.138	0	1	0.551
Male	9081	0.560	0.496	0	1	0.004***
Age	9081	36.907	9.830	18	78	0.013**
Age at arrival	9081	28.866	9.564	0	77	0.200
Years in Italy	9081	8.041	6.196	0	48	0.140
No education	9081	0.052	0.222	0	1	0.058*
Compulsory	9081	0.321	0.467	0	1	0.777
High school	9081	0.434	0.496	0	1	0.744
BA degree +	9081	0.193	0.394	0	1	0.829
Proficiency	9081	3.512	1.070	1	5	0.755
Married	9081	0.577	0.494	0	1	0.428
Having children	9081	0.586	0.493	0	1	0.139
Muslim	9081	0.332	0.471	0	1	0.563
Catholic	9081	0.272	0.445	0	1	0.620
Orthodox	9081	0.222	0.416	0	1	0.342
Coptic	9081	0.004	0.063	0	1	0.927
Evangelical	9081	0.019	0.138	0	1	0.450
Other Christian	9081	0.019	0.136	0	1	0.972
Buddhist	9081	0.033	0.178	0	1	0.722
Hindu	9081	0.014	0.117	0	1	0.734
Sikh	9081	0.007	0.081	0	1	0.880
Other	9081	0.008	0.091	0	1	0.758
No religion	9081	0.070	0.255	0	1	0.616

Notes. Sample weights used.

Table A.3: Summary Statistics. IV Base Sample

	Observation	Mean	Std. Dev.	Min	Max	Equality of Means wrt OLS sample (p-value)
Employment	8701	0.822	0.382	0	1	0.727
Home identity	8701	0.910	0.286	0	1	0.849
Host identity	8701	0.571	0.495	0	1	0.802
Integrated	8701	0.500	0.500	0	1	0.925
Assimilated	8701	0.072	0.258	0	1	0.756
Separated	8701	0.410	0.492	0	1	0.842
Marginalized	8701	0.019	0.135	0	1	0.827
Italian language at home	8701	0.449	0.497	0	1	0.984
Interest in home country	8701	0.910	0.286	0	1	0.853
Degree of Integration	8701	3.097	0.499	1	4	0.866
Degree of Interest & Language use	8701	3.064	0.819	1	5	0.422
Male	8701	0.562	0.496	0	1	0.917
Age	8701	36.791	9.741	18	71	0.678
Age at arrival	8701	28.669	9.445	0	69	0.479
Years in Italy	8701	8.123	6.223	0	48	0.657
No education	8701	0.051	0.219	0	1	0.786
Compulsory	8701	0.325	0.468	0	1	0.781
High school	8701	0.434	0.496	0	1	0.981
BA degree +	8701	0.190	0.392	0	1	0.815
Proficiency	8701	3.519	1.067	1	5	0.827
Married	8701	0.581	0.493	0	1	0.760
Having children	8701	0.586	0.493	0	1	0.992
Muslim	8701	0.332	0.471	0	1	0.972
Catholic	8701	0.274	0.446	0	1	0.843
Orthodox	8701	0.217	0.412	0	1	0.678
Coptic	8701	0.004	0.063	0	1	0.969
Evangelical	8701	0.019	0.138	0	1	0.996
Other Christian	8701	0.019	0.138	0	1	0.885
Buddhist	8701	0.033	0.178	0	1	0.977
Hindu	8701	0.014	0.119	0	1	0.898
Sikh	8701	0.007	0.083	0	1	0.922
Other	8701	0.009	0.092	0	1	0.909
No religion	8701	0.071	0.257	0	1	0.893

Notes. Sample weights used.

A.12

Table A.4: Identity, Acculturation and Employment. Individuals' controls

	Dependent: Employment status			
	(1)	(2)	(3)	(4)
Home identity	0.0772***		0.0774***	0.1640***
	(0.0174)		(0.0186)	(0.0452)
Host identity		0.0252**	0.0302***	0.1367**
		(0.0106)	(0.0108)	(0.0603)
Home × Host				-0.1140**
				(0.0567)
Linear combinations: acculturation hypothesis				
Integrated				0.1866***
(Home + Host + Home × Host)				(0.0493)
Integrated - Assimilated				0.0500**
(Home + Home × Host)				(0.0230)
Integrated - Separated				0.0227**
(Host + Home × Host)				(0.0088)
Assimilated - Separated				-0.0273
(Host - Home)				(0.0252)
Individuals' controls				
Proficiency	0.0333***	0.0287***	0.0301***	0.0300***
	(0.0107)	(0.0110)	(0.0111)	(0.0112)
Years in Italy	0.0225***	0.0211***	0.0213***	0.0214***
	(0.0066)	(0.0063)	(0.0061)	(0.0062)
Years in Italy squared	-0.0006***	-0.0006***	-0.0006***	-0.0006***
	(0.0002)	(0.0002)	(0.0002)	(0.0002)
Age	0.0003	-0.0010	0.0001	0.0000
	(0.0041)	(0.0044)	(0.0041)	(0.0041)
Age squared	-0.0000	0.0000	-0.0000	-0.0000
	(0.0000)	(0.0001)	(0.0000)	(0.0000)
Compulsory	0.0761***	0.0699***	0.0727***	0.0732***
	(0.0202)	(0.0234)	(0.0221)	(0.0215)
High school	0.0704***	0.0654***	0.0678***	0.0679***
	(0.0224)	(0.0245)	(0.0234)	(0.0231)
BA degree +	0.0852***	0.0794***	0.0818***	0.0835***
	(0.0205)	(0.0215)	(0.0211)	(0.0211)
Male	0.0012	0.0072	0.0039	0.0042
	(0.0147)	(0.0157)	(0.0150)	(0.0150)
Married	0.0226	0.0251	0.0251	0.0248
	(0.0166)	(0.0174)	(0.0172)	(0.0171)
Having children	0.0275	0.0320	0.0290	0.0301
	(0.0199)	(0.0211)	(0.0208)	(0.0204)
Muslim	-0.0310	-0.0437*	-0.0343	-0.0322
	(0.0253)	(0.0242)	(0.0266)	(0.0266)
Orthodox	-0.0064	-0.0115	-0.0056	-0.0032
	(0.0396)	(0.0431)	(0.0432)	(0.0433)
Coptic	0.1293***	0.1111***	0.1165***	0.1280***
	(0.0339)	(0.0288)	(0.0301)	(0.0322)
Evangelical	-0.0110	-0.0170	-0.0126	-0.0106
	(0.0370)	(0.0340)	(0.0360)	(0.0360)
Other Christian	0.0467	0.0361	0.0451	0.0462
	(0.0375)	(0.0381)	(0.0377)	(0.0373)
Buddhist	-0.0602	-0.0648	-0.0673	-0.0678
	(0.0598)	(0.0581)	(0.0592)	(0.0584)
Hindu	-0.0062	0.0224	0.0175	0.0206
	(0.0603)	(0.0556)	(0.0577)	(0.0576)
Sikh	-0.1494	-0.1443	-0.1501	-0.1436
	(0.1780)	(0.1857)	(0.1850)	(0.1845)
Other	0.0129	0.0227	0.0198	0.0201
	(0.0594)	(0.0626)	(0.0602)	(0.0616)
No religion	-0.0615**	-0.0493**	-0.0602**	-0.0607***
	(0.0237)	(0.0250)	(0.0235)	(0.0232)
Municipality × Origin FE	yes	yes	yes	yes
Week & DoW × Place FE	yes	yes	yes	yes
R^2	0.476	0.472	0.475	0.476
Observations	9265	9152	9081	9081
Countries of origin (#)	121	121	121	121
Municipalities (#)	222	220	220	220
Mean dependent	0.8184	0.8178	0.8186	0.8186

Notes. Linear probability model estimates. The dependent variable is a dummy equal to 1 for employed and 0 otherwise. The linear combinations in column (4) report the estimates of the acculturation strategies; accordingly, *Home identity* and *Host identity* identify the separation and assimilation strategies respectively, while the effect of integration is given by the sum of the coefficients of *Home identity*, *Host identity* and *Home identity × Host identity*. Sample weights used. Robust standard errors clustered at municipality level in parentheses; *** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$.

Table A.5: Identity, Acculturation and Employment. Probit Estimates

	Dependent: Employment status			
	(1)	(2)	(3)	(4)
Home identity	0.0565***		0.0584***	0.1212***
	(0.0119)		(0.0123)	(0.0267)
Host identity		0.0247***	0.0297***	0.1074***
		(0.0084)	(0.0087)	(0.0330)
Home × Host				-0.0840***
				(0.0315)
Linear combinations: acculturation hypothesis				
Integrated				0.1446***
(Home + Host + Home × Host)				(0.0297)
Integrated - Assimilated				0.0372***
(Home + Home × Host)				(0.0138)
Integrated - Separated				0.0234***
(Host + Home × Host)				(0.0079)
Assimilated - Separated				-0.0138
(Host - Home)				(0.0136)
Individual controls	yes	yes	yes	yes
Municipality × Origin FE	yes	yes	yes	yes
Week & DoW × Place FE	yes	yes	yes	yes
R^2	0.529	0.525	0.530	0.532
Observations	9265	9152	9081	9081

Notes. Marginal effects from Probit estimates. The dependent variable is a dummy equal to 1 for employed and 0 otherwise. All regressions include individual controls, municipality × country of origin, week and day of week × place of interview fixed effects. Individual controls are: Proficiency in Italian language, Years in Italy (and its square), Age (and its square), Male, Compulsory school, High school, BA degree +, Having children, Married and Religion dummies. The linear combinations in column (4) report the estimates of the Berry's acculturation model; accordingly, *Home identity* and *Host identity* identify the separation and assimilation strategies respectively, while the effect of integration is given by the sum of the coefficients of *Home identity*, *Host identity* and *Home identity × Host identity*. Sample weights used. Robust standard errors clustered at municipality level in parentheses; *** $p < 0.01$, **$p < 0.05$, *$p < 0.1$.

Table A.6: Robustness. Sample Trimming

	Dependent: Employment status					
	Drop					
	Municipalities & Countries	Municipalities, Countries & Weeks	Municipalities & Countries	Municipalities Countries & Weeks	Italian administrative Region	
	with obs. ≤ 10		with obs. ≤ 20		Tuscany	Lombardy
	(1)	(2)	(3)	(4)	(5)	(6)
Home identity	0.1683***	0.1683***	0.1624***	0.1620***	0.1999***	0.1637***
	(0.0469)	(0.0469)	(0.0460)	(0.0460)	(0.0534)	(0.0447)
Host identity	0.1401**	0.1401**	0.1388**	0.1398**	0.1658**	0.1397**
	(0.0628)	(0.0627)	(0.0612)	(0.0613)	(0.0731)	(0.0594)
Home × Host	-0.1185**	-0.1185**	-0.1157**	-0.1162**	-0.1412**	-0.1086*
	(0.0591)	(0.0591)	(0.0575)	(0.0575)	(0.0688)	(0.0559)
	Linear combinations: acculturation hypothesis					
Integrated	0.1899***	0.1899***	0.1855***	0.1856***	0.2244***	0.1948***
(Home + Host + Home × Host)	(0.0512)	(0.0512)	(0.0504)	(0.0504)	(0.0580)	(0.0491)
Integrated - Assimilated	0.0498**	0.0498**	0.0467*	0.0458*	0.0586**	0.0551**
(Home + Home × Host)	(0.0234)	(0.0234)	(0.0237)	(0.0238)	(0.0282)	(0.0253)
Integrated - Separated	0.0216**	0.0216**	0.0231**	0.0236**	0.0246**	0.0311***
(Host + Home × Host)	(0.0089)	(0.0089)	(0.0094)	(0.0095)	(0.0099)	(0.0098)
Assimilated - Separated	-0.0282	-0.0282	-0.0236	-0.0222	-0.0341	-0.0240
(Host - Home)	(0.0255)	(0.0255)	(0.0260)	(0.0261)	(0.0315)	(0.0269)
Individual controls	yes	yes	yes	yes	yes	yes
Municipality × Origin FE	yes	yes	yes	yes	yes	yes
Week & DoW × Place FE	yes	yes	yes	yes	yes	yes
R^2	0.460	0.459	0.439	0.439	0.500	0.504
Observations	8680	8672	8102	8077	5890	8644
Countries of origin (#)	71	71	51	51	117	119
Municipalities (#)	151	151	116	116	152	208
Mean dependent	0.8195	0.8195	0.8218	0.8217	0.8188	0.8096

Notes. Linear probability model estimates. The dependent variable is a dummy equal to 1 for employed and 0 otherwise. All regressions include individual controls, municipality × country of origin, week and day of week × place of interview fixed effects. Individual controls are: Proficiency in Italian language, Years in Italy (and its square), Age (and its square), Male, Compulsory school, High school, BA degree +, Having children, Married and Religion dummies. In columns (1) and (3), we drop municipalities and countries of origin cells with less than 10 and 20 observations, respectively. In columns (2) and (4), we drop municipalities, countries of origin and weeks cells with less than 10 and 20 observations, respectively. In columns (5) and (6), we drop two Italian regions, Tuscany and Lombardy. The linear combinations report the estimates of the acculturation strategies; accordingly, *Home identity* and *Host identity* identify the separation and assimilation strategies respectively, while the effect of integration is given by the sum of the coefficients of *Home identity*, *Host identity* and *Home identity × Host identity*. Sample weights used. Robust standard errors clustered at municipality level in parentheses; *** $p < 0.01$, **$p < 0.05$, *$p < 0.1$.

Table A.7: Robustness. Other Fixed Effects

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Dependent: Employment status								
Home identity	0.1458***	0.1458***	0.1393***	0.1616***	0.1406***	0.1516***	0.1547***	0.1415***	0.1424***
	(0.0416)	(0.0401)	(0.0388)	(0.0420)	(0.0465)	(0.0418)	(0.0420)	(0.0420)	(0.0422)
Host identity	0.1279**	0.1183**	0.1268**	0.1220**	0.1061	0.1314**	0.1359**	0.1149**	0.1153**
	(0.0616)	(0.0589)	(0.0586)	(0.0588)	(0.0644)	(0.0550)	(0.0556)	(0.0550)	(0.0553)
Home × Host	-0.1059*	-0.0919	-0.0969*	-0.1037*	-0.0882	-0.1092**	-0.1117**	-0.0931*	-0.0935*
	(0.0613)	(0.0568)	(0.0564)	(0.0608)	(0.0620)	(0.0523)	(0.0530)	(0.0522)	(0.0525)
Linear combinations: acculturation hypothesis									
Integrated	0.1678***	0.1722***	0.1692***	0.1798***	0.1585***	0.1739***	0.1789***	0.1633***	0.1642***
(Home + Host + Home × Host)	(0.0429)	(0.0427)	(0.0418)	(0.0413)	(0.0493)	(0.0451)	(0.0451)	(0.0448)	(0.0450)
Integrated - Assimilated	0.0399†	0.0539**	0.0423*	0.0579**	0.0524*	0.0425*	0.0430*	0.0484**	0.0489**
(Home + Home × Host)	(0.0271)	(0.0241)	(0.0255)	(0.0257)	(0.0272)	(0.0218)	(0.0229)	(0.0223)	(0.0226)
Integrated - Separated	0.0220**	0.0263**	0.0299***	0.0182*	0.0178**	0.0223**	0.0242***	0.0218***	0.0218***
(Host + Home × Host)	(0.0105)	(0.0109)	(0.0096)	(0.0101)	(0.0081)	(0.0090)	(0.0088)	(0.0079)	(0.0080)
Assimilated - Separated	-0.0179	-0.0276	-0.0124	-0.0397	-0.0346	-0.0202	-0.0188	-0.0267	-0.0271
(Host - Home)	(0.0278)	(0.0270)	(0.0273)	(0.0241)	(0.0288)	(0.0236)	(0.0246)	(0.0248)	(0.0251)
Individual controls	yes	yes	yes	yes	yes	yes	yes	yes	yes
Municipality FE	yes	no	yes	no	–	–	–	–	–
Country of Origin FE	no	yes	yes	no	–	–	–	–	–
Municipality × Country of Origin FE	no	no	no	no	yes	yes	yes	yes	yes
Province × Region of Origin FE	no	no	no	yes	no	no	no	no	no
DoW FE	–	–	–	–	yes	no	yes	–	–
Place FE	–	–	–	–	no	yes	yes	–	–
DoW × Place FE	yes	yes	yes	yes	no	no	no	yes	yes
Week FE	yes	yes	yes	yes	yes	yes	yes	–	–
Municipality × Week FE	no	no	no	no	no	no	no	yes	yes
R^2	0.223	0.228	0.272	0.236	0.448	0.456	0.459	0.543	0.534
Observations	9093	9081	9081	9081	9105	9081	9081	9081	8825

Notes. Linear probability model estimates. The dependent variable is a dummy equal to 1 for employed and 0 otherwise. Individual controls are: Proficiency in Italian language, Years in Italy (and its square), Age (and its square), Male, Compulsory school, High school, BA degree +, Having children, Married and Religion dummies. Fixed effects in the baseline regressions in Table 4 are municipality × country of origin, week and day of week × place of interview fixed effects. With respect to the baseline, fixed effects are changed as the followings. In columns (1), (2), (3) and (4) we replace municipality × country of origin with, respectively, only municipalities in (1), only countries of origin in (2), municipalities and countries of origin in (3) and Italian province × region of world of origin in (4). We have 33 Italian Provinces corresponding to the NUTS 3 administrative level definition: Ancona, Arezzo, Bari, Benevento, Campobasso, Catania, Chieti, Firenze, Forlí-Cesena, Grosseto, Isernia, Livorno, Lucca, Massa-Carrara, Milano, Modena, Napoli, Padova, Palermo, Parma, Pescara, Pisa, Pistoia, Prato, Ravenna, Rimini, Roma, Siena, Teramo, Torino, Trento, Treviso, Vicenza. The 6 regions of world of origin are: East Asia & Pacific, Europe & Central Asia, Latin America & Caribbean, Middle East & North Africa, South Asia, Sub-Saharan Africa. In columns (5), (6), and (7), we replace the baseline day of week (DoW) × Place of Interview fixed effects with, respectively, only DoW in (5), only place of interview in (6), DoW and place of interview in (7). In column (8)-(9), we add to the baseline set of fixed effects the municipality × week fixed effects, which absorb also the week fixed effects. In column (9), we drop municipalities and weeks cells with less than 10 observations. The linear combinations report the estimates of the acculturation strategies; accordingly, *Home identity* and *Host identity* identify the separation and assimilation strategies respectively, while the effect of integration is given by the sum of the coefficients of *Home identity*, *Host identity* and *Home identity × Host identity*. Sample weights used. Robust standard errors clustered at municipality level in parentheses; *** $p < 0.01$, **$p < 0.05$, *$p < 0.1$, †$p < 0.14$.

Table A.8: Robustness. Alternative Clustering

	Dependent: Employment status						
	Home identity (1)	Host identity (2)	Home × Host identity (3)	Integrated (4)	Integrated - Assimilated (5)	Integrated - Separated (6)	Assimilated - Separated (7)
Coefficient	0.1640	0.1367	-0.1140	0.1866	0.0500	0.0227	-0.0273
Clustering level (# of clusters)							
Municipality (220) & Origin (121)	(0.0407)***	(0.0626)**	(0.0517)**	(0.0511)***	(0.0287)*	(0.0140)*	(0.0363)
Municipality × Origin (2253)	(0.0505)***	(0.0599)**	(0.0586)*	(0.0521)***	(0.0278)*	(0.0157)†	(0.0317)
Municipality (220) & Week (38)	(0.0415)***	(0.0513)**	(0.0497)**	(0.0406)***	(0.0240)**	(0.0130)*	(0.0313)
Municipality (220) & DoW × Place (84)	(0.0401)***	(0.0490)***	(0.0431)**	(0.0469)***	(0.0223)**	(0.0124)*	(0.0245)
Municipality × Origin (2253) & DoW × Place (84)	(0.0451)***	(0.0465)***	(0.0433)**	(0.0473)***	(0.0252)*	(0.0129)*	(0.0299)

Notes. Linear probability model estimates. The dependent variable is a dummy equal to 1 for employed and 0 otherwise. Each row is a separate regression whose coefficients are in the first row and standard errors are clustered at the level reported in the first column, with the numbers of clusters in parentheses. All regressions follow the baseline of column (4) in Table 4 and include individual controls, municipality × country of origin, week and day of week × place of interview fixed effects. Individual controls are: Proficiency in Italian language, Years in Italy (and its square), Age (and its square), Male, Compulsory school, High school, BA degree +, Having children, Married and Religion dummies. Sample weights used. Robust standard errors in parentheses clustered as reported; *** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$, † $p < 0.15$.

Table A.9: Instrumental Variable Robustness. Living Conditions and Partner Nationality

	Second stage			First stage								
	Employment status			Dependent variable is:								
				Home			Host			Home × Host		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Home identity	0.8588**	0.6643*	0.8683**									
	(0.3977)	(0.3714)	(0.3994)									
Host identity	1.0163**	0.7456*	1.0292*									
	(0.4522)	(0.4214)	(0.4555)									
Home × Host	-0.7163	-0.5120	-0.7248									
	(0.4467)	(0.4221)	(0.4488)									
Interest in home country				0.2953***	0.2813***	0.2945***	-0.1547***	-0.1626***	-0.1542***	0.0626*	0.0465	0.0626*
				(0.0387)	(0.0386)	(0.0385)	(0.0424)	(0.0405)	(0.0430)	(0.0320)	(0.0377)	(0.0323)
Italian language at home				-0.2394***	-0.2644***	-0.2401***	0.1285***	0.1187***	0.1297***	-0.1657***	-0.1941***	-0.1651***
				(0.0423)	(0.0505)	(0.0422)	(0.0375)	(0.0357)	(0.0379)	(0.0436)	(0.0522)	(0.0436)
Interest in home × Italian language at home				0.2187***	0.2401***	0.2185***	0.0037	0.0107	0.0002	0.2674***	0.2877***	0.2635***
				(0.0398)	(0.0483)	(0.0399)	(0.0470)	(0.0436)	(0.0465)	(0.0520)	(0.0573)	(0.0510)
Partner same country	0.0632***		0.0602*	0.0104		0.0136	-0.0739***		-0.0679***	-0.0512**		-0.0426*
	(0.0239)		(0.0242)	(0.0110)		(0.0114)	(0.0228)		(0.0240)	(0.0224)		(0.0230)
Living alone		-0.0215	-0.0107		0.0107	0.0141		0.0469**	0.0275		0.0485***	0.0405***
		(0.0224)	(0.0214)		(0.0141)	(0.0139)		(0.0201)	(0.0216)		(0.0153)	(0.0152)
Linear combinations: acculturation hypothesis												
Integrated (Home + Host + Home × Host)	1.1588***	0.8979**	1.1727***									
	(0.4130)	(0.3827)	(0.4171)									
Integrated - Assimilated (Home + Home × Host)	0.1424*	0.1523*	0.1435*									
	(0.0831)	(0.0839)	(0.0846)									
Integrated - Separated (Host + Home × Host)	0.3000**	0.2336**	0.3045**									
	(0.1156)	(0.1154)	(0.1208)									
Assimilated - Separated (Host - Home)	0.1575	0.0813	0.1610									
	(0.1132)	(0.1061)	(0.1156)									
Individual controls	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Municipality × Origin FE	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Week & DoW × Place FE	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
R^2	0.357	0.404	0.353	0.524	0.519	0.525	0.478	0.476	0.478	0.438	0.436	0.439
Kleibergen-Paap F-statistic	2.087	2.284	2.210									
Anderson-Rubin (p-value)	0.001	0.007	0.001									
F-test of excluded instruments				85.905	98.427	83.716	27.532	23.963	26.806	25.374	29.438	27.120
Observations	8253	8636	8201	8253	8636	8201	8253	8636	8201	8253	8636	8201
Countries of origin (#)	121	120	120	121	120	120	121	120	120	121	120	120
Municipalities (#)	219	219	219	219	219	219	219	219	219	219	219	219

Notes. Columns (1)-(3) present second stage estimates, where the dependent variable is a dummy for employment status, equal to 1 for employed and 0 for unemployed. Columns (4)-(12) present first-stage estimates. The dependent variables are *Home* in columns (4)-(6), *Host* in columns (7)-(9) and *Home × Host* in columns (10)-(12). All regressions include individual controls, municipality × country of origin, week and day of week × place of interview fixed effects. Individual controls are: Proficiency in Italian language, Years in Italy (and its square), Age (and its square), Male, Compulsory school, High school, BA degree +, Having children, Married and Religion dummies. *Partner same country* is a dummy equal to 1 if respondents state they have a partner from the same country of origin and 0 otherwise. *Living alone* is a dummy equal to 1 if respondents state they live alone and 0, otherwise, if they live with partner, parents and/or friends. The linear combinations report the estimates of the acculturation strategies; accordingly, *Home identity* and *Host identity* identify the separation and assimilation strategies respectively, while the effect of integration is given by the sum of the coefficients of *Home identity*, *Host identity* and *Home identity × Host identity*. Robust standard errors clustered at municipality level in parentheses; *** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$.

A.18

Table A.10: Interest in Home Country, Intention to Stay and Preference for Home Country

	Dependent: Employment status							
	Full sample				IV sample			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Interest in home country	0.0603***	0.0638***	0.0627***	0.0661***	0.0510**	0.0541**	0.0520**	0.0548**
	(0.0205)	(0.0205)	(0.0224)	(0.0225)	(0.0209)	(0.0215)	(0.0230)	(0.0237)
Intention to stay		0.0321		0.0368		0.0343		0.0397
		(0.0214)		(0.0244)		(0.0213)		(0.0243)
Preference for children studying in home country			0.0326**	0.0400**			0.0359***	0.0445***
			(0.0136)	(0.0163)			(0.0138)	(0.0160)
Individual controls	yes	yes	yes	yes	yes	yes	yes	yes
Municipality × Origin FE	yes	yes	yes	yes	yes	yes	yes	yes
Week & DoW × Place FE	yes	yes	yes	yes	yes	yes	yes	yes
R^2	0.477	0.479	0.482	0.483	0.476	0.477	0.480	0.481
Observations	9298	9224	8974	8923	8701	8638	8418	8374
Countries of origin (#)	122	121	122	121	121	120	121	120
Municipalities (#)	222	221	221	221	219	218	218	218

Notes. Linear probability model estimates. The dependent variable is a dummy equal to 1 for employed and 0 otherwise. All regressions include individual controls, municipality × country of origin, week and day of week × place of interview fixed effects. Individual controls are: Proficiency in Italian language, Years in Italy (and its square), Age (and its square), Male, Compulsory school, High school, BA degree +, Having children, Married and Religion dummies. *Intention to stay* is a dummy equal to one if respondents answer "For ever" or "For a long time" to the survey question "Do you intend to stay in Italy?", and zero if the answer is "For a short time" or "Don't know". *Preference for children studying in home country* is a dummy equal to one if immigrants answer "In my country of origin" to the survey question "Thinking about the future of your children (even if have none at the moment), where would you prefer them to study?", and zero if the answer is "In Italy", "In another country" or "I am indifferent". Sample weights used. Robust standard errors clustered at municipality level in parentheses; *** $p < 0.01$, **$p < 0.05$, *$p < 0.1$.

Table A.11: Instrumental Variable Robustness. Intention to Stay and Preference for Children Studying in Home Country

	Second stage			First stage								
				Dependent variable is:								
	Employment status			Home			Host			Home × Host		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Home identity	0.6573* (0.3590)	0.7582* (0.4094)	0.7545* (0.3912)									
Host identity	0.7307* (0.4106)	0.8971** (0.4321)	0.9013** (0.4213)									
Home × Host	-0.5187 (0.4048)	-0.6230 (0.4550)	-0.6226 (0.4264)									
Interest in home country				0.2784*** (0.0384)	0.2956*** (0.0389)	0.2948*** (0.0382)	-0.1485*** (0.0384)	-0.1341** (0.0547)	-0.1261** (0.0526)	0.0561 (0.0373)	0.0825** (0.0405)	0.0880** (0.0408)
Italian language at home				-0.2577*** (0.0502)	-0.2424*** (0.0455)	-0.2349*** (0.0450)	0.0905*** (0.0322)	0.1173** (0.0512)	0.0903* (0.0475)	-0.2183*** (0.0493)	-0.1813*** (0.0448)	-0.2038*** (0.0456)
Interest in home × Italian language at home				0.2369*** (0.0478)	0.2208*** (0.0435)	0.2143*** (0.0426)	0.0356 (0.0407)	0.0042 (0.0567)	0.0259 (0.0529)	0.3128*** (0.0564)	0.2684*** (0.0530)	0.2875*** (0.0532)
Intention to stay	-0.0136 (0.0260)		-0.0212 (0.0308)	-0.0376*** (0.0085)		-0.0348*** (0.0081)	0.2175*** (0.0207)		0.2024*** (0.0208)	0.1685*** (0.0197)		0.1551*** (0.0185)
Preference for children studying in home country		0.0649*** (0.0214)	0.0615*** (0.0203)		0.0288*** (0.0102)	0.0225** (0.0094)		-0.1291*** (0.0243)	-0.0879*** (0.0203)		-0.1088*** (0.0187)	-0.0766*** (0.0163)
Linear combinations: acculturation hypothesis												
Integrated (Home + Host + Home × Host)	0.8693** (0.3737)	1.0323** (0.3976)	1.0332*** (0.3945)									
Integrated - Assimilated (Home + Home × Host)	0.1386* (0.0794)	0.1352* (0.0732)	0.1319* (0.0732)									
Integrated - Separated (Host + Home × Host)	0.2120** (0.1095)	0.2741** (0.1353)	0.2787** (0.1354)									
Assimilated - Separated (Host - Home)	0.0735 (0.1107)	0.1389 (0.1177)	0.1467 (0.1297)									
Individual controls	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Municipality × Origin FE	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Week & DoW × Place FE	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
R^2	0.413	0.380	0.378	0.520	0.527	0.527	0.504	0.489	0.513	0.453	0.449	0.462
Kleibergen-Paap F-statistic	2.384	4.018	4.843									
Anderson-Rubin (p-value)	0.009	0.001	0.001									
F-test of excluded instruments				104.758	90.792	93.131	24.748	28.760	26.465	32.646	27.986	31.019
Observations	8638	8418	8374	8638	8418	8374	8638	8418	8374	8638	8418	8374
Countries of origin (#)	120	121	120	120	121	120	120	121	120	120	121	120
Municipalities (#)	218	218	218	218	218	218	218	218	218	218	218	218

Notes. Columns (1)-(3) present second stage estimates, where the dependent variable is a dummy for employment status, equal to 1 for employed and 0 for unemployed. Columns (4)-(12) present first-stage estimates. Dependent variables are *Home* in columns (4)-(6), *Host* in columns (7)-(9) and *Home × Host* in columns (10)-(12). All regressions include individual controls, municipality × country of origin, week and day of week × place of interview fixed effects. Individual controls are: Proficiency in Italian language, Years in Italy (and its square), Age (and its square), Male, Compulsory school, High school, BA degree +, Having children, Married and Religion dummies. *Intention to stay* is a dummy equal to one if respondents answer "For ever" or "For a long time" to the survey question "Do you intend to stay in Italy?", and zero if the answer is "For a short time" or "Don't know". *Preference for children studying in home country* is a dummy equal to one if immigrants answer "In my country of origin" to the survey question "Thinking about the future of your children (even if you have none at the moment), where would you prefer them to study?", and zero if the answer is "In Italy", "In another country" or "I am indifferent". The linear combinations report the estimates of the acculturation strategies; accordingly,*Home identity* and *Host identity* identify the separation and assimilation strategies respectively; while the effect of integration is given by the sum of the coefficients of *Home identity*, *Host identity* and *Home identity × Host identity*. Sample weights used. Robust standard errors clustered at municipality level in parentheses; *** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$.

Table A.12: Effects of Integration on Sector Employment. Multinomial versus OLS Estimates

| | Dependent variable: Employment in | | | | | |
| | Agriculture | Industry | Commerce | Service firms | Service people | Other |
	(1)	(2)	(3)	(4)	(5)	(6)
	Panel A: OLS Estimates					
Integrated	0.0014	0.0519**	-0.0561**	0.0234	-0.0010	-0.0197
	(0.0053)	(0.0208)	(0.0227)	(0.0178)	(0.0128)	(0.0127)
	Panel B: Multinomial estimates (marginal effects)					
Integrated	0.0019	0.0525**	-0.0654**	0.0305	0.0041	-0.0237
	(0.0047)	(0.0229)	(0.0269)	(0.0219)	(0.0141)	(0.0152)
Individual controls	yes	yes	yes	yes	yes	yes
Observations	7944	7944	7944	7944	7944	7944
Countries of origin (#)	118	118	118	118	118	118
Municipalities (#)	219	219	219	219	219	219

Notes. Individual controls are: Proficiency in Italian language, Years in Italy (and its square), Age (and its square), Male, Compulsory school, High school, BA degree +, Having children, Married and Religion dummies. Sample weights used. Robust standard errors clustered at municipality level in parentheses; *** $p < 0.01$, **$p < 0.05$, *$p < 0.1$.

Table A.13: Heterogeneity. Acculturation Hypothesis

	Baseline estimates	Gender		Years in Italy		Age at arrival		Education	
		Male	Female	Short	Long	Young	Old	Low	High
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)

Dependent variable (panel A & B): Employment status

				Panel A: OLS Estimates					
Home identity	0.1056**	0.1653***	0.0288	0.0318	0.2272***	0.1791***	0.0554	0.2387***	0.0896*
	(0.0532)	(0.0485)	(0.0707)	(0.0552)	(0.0865)	(0.0556)	(0.0866)	(0.0708)	(0.0477)
Host identity	0.0782	0.1053*	-0.0316	-0.0467	0.2185**	0.1779***	0.0229	0.1663**	0.0831
	(0.0552)	(0.0565)	(0.0784)	(0.0738)	(0.1060)	(0.0624)	(0.1012)	(0.0834)	(0.0617)
Home × Host	-0.0453	-0.0840+	0.0811	0.1079	-0.2238**	-0.1666***	0.0596	-0.1106	-0.0954+
	(0.0544)	(0.0579)	(0.0768)	(0.0757)	(0.1041)	(0.0598)	(0.0998)	(0.0883)	(0.0625)

Linear combinations: acculturation hypothesis

Integrated	0.1385**	0.1866***	0.0783	0.0930*	0.2220**	0.1903***	0.1378+	0.2943***	0.0774+
(Home + Host + Home × Host)	(0.0541)	(0.0493)	(0.0728)	(0.0536)	(0.0893)	(0.0599)	(0.0907)	(0.0672)	(0.0478)
Integrated - Assimilated	0.0602**	0.0813**	0.1099**	0.1397***	0.0035	0.0125	0.1149**	0.1280***	-0.0057
(Home + Home × Host)	(0.0241)	(0.0382)	(0.0436)	(0.0470)	(0.0317)	(0.0350)	(0.0475)	(0.0470)	(0.0355)
Integrated - Separated	0.0329***	0.0213+	0.0495***	0.0611***	-0.0052	0.0113	0.0824***	0.0557**	-0.0122
(Host + Home × Host)	(0.0114)	(0.0147)	(0.0187)	(0.0225)	(0.0171)	(0.0184)	(0.0220)	(0.0229)	(0.0164)
Assimilated - Separated	-0.0273	-0.0600+	-0.0604	-0.0786+	-0.0087	-0.0012	-0.0325	-0.0723+	-0.0065
(Host - Home)	(0.0263)	(0.0380)	(0.0470)	(0.0510)	(0.0347)	(0.0371)	(0.0481)	(0.0489)	(0.0376)

				Panel B: 2SLS Estimates					
Home identity	0.8158**	0.4956	0.5185	1.2819	0.5505	1.1575	0.8531**	0.3343	0.3301
	(0.3889)	(0.6571)	(1.3264)	(1.0138)	(0.5633)	(0.9134)	(0.4274)	(0.4402)	(0.4277)
Host identity	0.8752**	0.4199	0.9664	1.2143	0.6115	1.2968	0.9917**	0.1578	0.4139
	(0.4440)	(0.8306)	(1.3783)	(1.1555)	(0.6468)	(1.0355)	(0.4860)	(0.5126)	(0.4729)
Home × Host	-0.7452*	-0.5539	-0.0834	-0.8466	-0.6194	-1.1925	-0.5831	0.0724	-0.1718
	(0.4252)	(0.9606)	(1.4386)	(1.0886)	(0.7038)	(1.0817)	(0.4702)	(0.5542)	(0.4676)

Linear combinations: acculturation hypothesis

Integrated	0.9458**	0.3616	1.4014	1.6496+	0.5426	1.2617	1.2617***	0.5645	0.5722
(Home + Host + Home × Host)	(0.4143)	(0.5403)	(1.3113)	(1.0924)	(0.5231)	(0.8818)	(0.4819)	(0.4483)	(0.4555)
Integrated - Assimilated	0.0706	-0.0583	0.4350*	0.4353*	-0.0689	-0.0351	0.2700**	0.4067*	0.1583
(Home + Home × Host)	(0.0896)	(0.3247)	(0.2311)	(0.2271)	(0.1712)	(0.2113)	(0.1253)	(0.2075)	(0.1008)
Integrated - Separated	0.1300	-0.1340	0.8829***	0.3677**	-0.0078	0.1043	0.4086*	0.2303	0.2420
(Host + Home × Host)	(0.0853)	(0.1642)	(0.3370)	(0.1489)	(0.1644)	(0.1540)	(0.2504)	(0.1809)	(0.1593)
Assimilated - Separated	0.0594	-0.0757	0.4479**	-0.0676	0.0610	0.1393	0.1385	-0.1764	0.0837
(Host - Home)	(0.1061)	(0.1985)	(0.1919)	(0.2420)	(0.1517)	(0.1652)	(0.2097)	(0.1552)	(0.1263)

Kleibergen-Paap F-statistic	5.058	0.830	2.051	1.842	2.650	1.268	3.671	4.117	3.171
Anderson-Rubin (p-value)	0.024	0.092	0.004	0.002	0.628	0.012	0.000	0.011	0.052
Individual controls	yes	yes	yes	yes	yes	yes	yes	yes	yes
Municipality × Origin FE	yes	yes	yes	yes	yes	yes	yes	yes	yes
Week & DoW × Place FE	yes	yes	yes	yes	yes	yes	yes	yes	yes
Age at arrival × Years in Italy FE	yes	yes	yes	yes	yes	yes	yes	yes	yes
Observations	8701	4966	3735	4369	4332	4417	4284	3518	5183
Countries of origin (#)	121	105	108	107	113	109	108	92	116
Municipalities (#)	219	190	203	206	192	188	209	197	196

Notes. The dependent variable is a dummy equal to 1 for employed and 0 otherwise. All regressions include individual controls, municipality by country of origin, week, day of week by place of interview and age at arrival by years in Italy fixed effects. Individual controls are: Proficiency in Italian language, Years in Italy (and its square), Age (and its square), Male, Compulsory school, High school, BA degree +, Having children, Married and Religion dummies. The linear combinations report the estimates of the acculturation strategies; accordingly, *Home identity* and *Host identity* identify the separation and assimilation strategies respectively, while the effect of integration is given by the sum of the coefficients of *Home identity*, *Host identity* and *Home identity × Host identity*. Sample weights used. Robust standard errors clustered at municipality level in parentheses; *** $p < 0.01$, **$p < 0.05$, *$p < 0.1$ + $p < 0.15$.

Table A.14: Heterogeneity by Gender and Education. First Stage

	Dependent variable is:														
	Home					Host					Home x Host				
	Baseline estimates	Gender		Education		Baseline estimates	Gender		Education		Baseline estimates	Gender		Education	
		Male	Female	Low Edu	High Edu		Male	Female	Low Edu	High Edu		Male	Female	Low Edu	High Edu
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Interest in home country	0.2894***	0.3113***	0.2734***	0.2849***	0.2539***	-0.1931***	-0.1633***	-0.1829***	-0.1587**	-0.1837***	0.0086	0.0470	0.0243	0.0294	-0.0457
	(0.0298)	(0.0306)	(0.0662)	(0.0433)	(0.0455)	(0.0349)	(0.0543)	(0.0703)	(0.0614)	(0.0630)	(0.0319)	(0.0433)	(0.0832)	(0.0649)	(0.0681)
Italian language at home	-0.2000***	-0.0405	-0.2612***	-0.1167*	-0.2735***	0.0873**	0.0490	0.1059	0.1926**	0.0566	-0.1754***	-0.0428	-0.2079**	-0.0576	-0.3001***
	(0.0406)	(0.0591)	(0.0708)	(0.0613)	(0.0572)	(0.0391)	(0.0612)	(0.0908)	(0.0757)	(0.0669)	(0.0357)	(0.0590)	(0.1017)	(0.0954)	(0.0678)
Interest in home × Italian language at home	0.1894***	0.0498	0.2467***	0.1141*	0.2672***	0.0722	0.1376	0.0076	-0.0139	0.0921	0.3094***	0.2094***	0.2951***	0.2229**	0.4280***
	(0.0391)	(0.0590)	(0.0751)	(0.0587)	(0.0614)	(0.0458)	(0.0833)	(0.0859)	(0.0842)	(0.0650)	(0.0445)	(0.0792)	(0.0921)	(0.1019)	(0.0667)
Individual controls	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Municipality × Origin FE	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Week & DoW × Place FE	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Age at arrival × Years in Italy FE	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
R^2	0.656	0.771	0.836	0.859	0.752	0.638	0.739	0.823	0.839	0.728	0.615	0.731	0.805	0.824	0.716
F-test of excluded instruments	111.826	56.108	42.303	31.009	142.696	38.930	17.342	20.766	7.666	20.713	22.680	8.957	15.501	6.364	26.868
Observations	8701	4966	3735	3518	5336	8701	4966	3735	3518	5336	8701	4966	3735	3518	5336

Notes. All regressions include individual controls, municipality × country of origin, week and day of week × place of interview fixed effects. Individual controls are: Proficiency in Italian language, Years in Italy (and its square), Age (and its square), Male, Compulsory school, High school, BA degree +, Having children, Married and Religion dummies. Sample weights used. Robust standard errors clustered at municipality level in parentheses; *** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$.

A.23

Table A.15: Heterogeneity by Years in Italy and Age at Arrival. First Stage

	Dependent variable is:											
	Home				Host				Home x Host			
	Years in Italy		Age at arrival		Years in Italy		Age at arrival		Years in Italy		Age at arrival	
	Short	Long	Young	Old	Short	Long	Young	Old	Short	Long	Young	Old
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Interest in home country	0.1726***	0.4483***	0.2389***	0.3549***	-0.1276***	-0.2284***	-0.2912***	-0.0954*	-0.0174	0.1160**	-0.1082**	0.1308***
	(0.0361)	(0.0427)	(0.0369)	(0.0520)	(0.0408)	(0.0589)	(0.0534)	(0.0556)	(0.0441)	(0.0532)	(0.0465)	(0.0491)
Italian language at home	-0.2535***	-0.0782	-0.2383***	-0.1208**	0.2337***	0.0218	0.0046	0.1483**	-0.0504	-0.1416**	-0.2482***	-0.1263*
	(0.0598)	(0.0489)	(0.0631)	(0.0596)	(0.0575)	(0.0764)	(0.0479)	(0.0709)	(0.0664)	(0.0684)	(0.0591)	(0.0665)
Interest in home × Italian language at home	0.2201***	0.0761*	0.2510***	0.0986	-0.0561	0.1289	0.2233***	-0.0426	0.2004**	0.2653***	0.4612***	0.2059***
	(0.0547)	(0.0404)	(0.0596)	(0.0609)	(0.0720)	(0.0830)	(0.0559)	(0.0822)	(0.0778)	(0.0680)	(0.0657)	(0.0758)
Individual controls	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Municipality × Origin FE	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Week & DoW × Place FE	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Age at arrival × Years in Italy FE	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
R^2	0.695	0.759	0.706	0.765	0.696	0.727	0.691	0.749	0.675	0.725	0.668	0.739
F-test of excluded instruments	22.483	116.744	70.158	43.119	34.973	14.882	31.555	11.738	8.614	13.807	23.589	8.016
Observations	4369	4332	4417	4284	4369	4332	4417	4284	4369	4332	4417	4284

Notes. All regressions include individual controls, municipality × country of origin, week and day of week × place of interview fixed effects. Individual controls are: Proficiency in Italian language, Years in Italy (and its square), Age (and its square), Male, Compulsory school, High school, BA degree +, Having children, Married and Religion dummies. Sample weights used. Robust standard errors clustered at municipality level in parentheses; *** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$.

A.24

Table A.16: Network Mechanisms. Friends, Associations and Marriage Choices

| | Dependent variable is: | | | | | | | | |
| | Friends' type | | | Association composed by | | | | Agree to Marry Italian | |
	Foreign (1)	Italian (2)	Both (3)	Foreign (4)	Italian (5)	Both (6)	No association (7)	Son (8)	Daughter (9)
	Panel A: OLS Estimates								
Home identity	-0.0697	0.0678**	0.0020	0.0405	0.0144	-0.0100	-0.0449	-0.0666	-0.0156
	(0.0593)	(0.0304)	(0.0486)	(0.0516)	(0.0134)	(0.0307)	(0.0679)	(0.0566)	(0.0444)
Host identity	-0.3470***	0.3399***	0.0071	-0.0184	0.0239	0.0051	-0.0106	0.1193**	0.1858***
	(0.0666)	(0.0435)	(0.0553)	(0.0571)	(0.0175)	(0.0377)	(0.0851)	(0.0581)	(0.0435)
Home × Host	0.1545**	-0.2855***	0.1310**	0.0069	-0.0152	0.0382	-0.0300	0.0217	-0.0230
	(0.0684)	(0.0468)	(0.0512)	(0.0568)	(0.0161)	(0.0419)	(0.0798)	(0.0603)	(0.0447)
	Linear combinations: acculturation hypothesis								
Integrated (Home + Host + Home × Host)	-0.2623***	0.1222***	0.1401***	0.0290	0.0231*	0.0333	-0.0855	0.0743	0.1473***
	(0.0607)	(0.0313)	(0.0492)	(0.0506)	(0.0137)	(0.0290)	(0.0734)	(0.0537)	(0.0462)
Integrated - Assimilated (Home + Home × Host)	0.0847***	-0.2177***	0.1330***	0.0474***	-0.0008	0.0282	-0.0749**	-0.0449*	-0.0386
	(0.0228)	(0.0302)	(0.0243)	(0.0161)	(0.0101)	(0.0203)	(0.0325)	(0.0267)	(0.0388)
Integrated - Separated (Host + Home × Host)	-0.1926***	0.0545***	0.1381***	-0.0115	0.0087	0.0433***	-0.0406*	0.1410***	0.1629***
	(0.0300)	(0.0160)	(0.0232)	(0.0162)	(0.0073)	(0.0104)	(0.0217)	(0.0212)	(0.0183)
Assimilated - Separated (Host - Home)	-0.2773***	0.2722***	0.0051	-0.0589**	0.0095	0.0151	0.0343	0.1859***	0.2014***
	(0.0319)	(0.0285)	(0.0388)	(0.0255)	(0.0139)	(0.0170)	(0.0402)	(0.0350)	(0.0396)
	Panel B: 2SLS Estimates								
Home identity	-1.1997+	0.3903	0.8093	-0.0340	0.3187**	0.1831	-0.4678	0.3022	0.0416
	(0.7820)	(0.5332)	(0.9675)	(0.3730)	(0.1433)	(0.1915)	(0.4496)	(0.4239)	(0.5049)
Host identity	-2.2375**	1.0603*	1.1772	-0.0507	0.4010**	0.2687	-0.6189	0.8923*	0.6376
	(0.8660)	(0.6023)	(1.1015)	(0.4005)	(0.1639)	(0.2140)	(0.5043)	(0.4681)	(0.5402)
Home × Host	1.1527	-0.4947	-0.6580	0.1618	-0.3196*	-0.0930	0.2508	-0.2321	0.0930
	(0.8445)	(0.6239)	(1.1034)	(0.4193)	(0.1711)	(0.2416)	(0.5177)	(0.4689)	(0.5381)
	Linear combinations: acculturation hypothesis								
Integrated (Home + Host + Home × Host)	-2.2845***	0.9560*	1.3285	0.0770	0.4002***	0.3588*	-0.8360*	0.9623**	0.7723+
	(0.8336)	(0.5272)	(0.9786)	(0.3627)	(0.1449)	(0.1838)	(0.4521)	(0.4508)	(0.5214)
Integrated - Assimilated (Home + Home × Host)	-0.0470	-0.1044	0.1513	0.1278*	-0.0008	0.0901	-0.2170*	0.0700	0.1346+
	(0.1705)	(0.1303)	(0.1871)	(0.0665)	(0.0410)	(0.0768)	(0.1136)	(0.1059)	(0.0900)
Integrated - Separated (Host + Home × Host)	-1.0848***	0.5656***	0.5192***	0.1110	0.0814+	0.1757**	-0.3681***	0.6601***	0.7306***
	(0.1928)	(0.1103)	(0.1451)	(0.0776)	(0.0567)	(0.0830)	(0.1089)	(0.1602)	(0.1131)
Assimilated - Separated (Host - Home)	-1.0379***	0.6700***	0.3679**	-0.0167	0.0823*	0.0856+	-0.1511+	0.5901***	0.5960***
	(0.1401)	(0.0952)	(0.1735)	(0.0515)	(0.0445)	(0.0557)	(0.0942)	(0.1121)	(0.0792)
Individual controls	yes	yes	yes	yes	yes	yes	yes	yes	yes
Municipality × Origin FE	yes	yes	yes	yes	yes	yes	yes	yes	yes
Week & DoW × Place FE	yes	yes	yes	yes	yes	yes	yes	yes	yes
Age at arrival × Years in Italy FE	yes	yes	yes	yes	yes	yes	yes	yes	yes
Kleibergen-Paap F-statistic	6.139	6.139	6.139	6.191	6.191	6.191	6.191	6.563	6.741
Anderson-Rubin (p-value)	0.000	0.000	0.000	0.014	0.007	0.058	0.000	0.000	0.000
Observations	10034	10034	10034	9861	9861	9861	9861	9200	9152
Countries of origin (#)	122	122	122	120	120	120	120	122	122
Municipalities (#)	227	227	227	227	227	227	227	221	221
Mean dependent	0.5058	0.1587	0.3355	0.0812	0.0362	0.0993	0.7833	0.7715	0.7108

Notes. All regressions include individual controls, municipality × country of origin, week and day of week × place of interview fixed effects. Individual controls are: Proficiency in Italian language, Years in Italy (and its square), Age (and its square), Male, Compulsory school, High school, BA degree +, Having children, Married and Religion dummies. The linear combinations report the estimates of the acculturation strategies; accordingly, *Home identity* and *Host identity* identify the separation and assimilation strategies respectively, while the effect of integration is given by the sum of the coefficients of *Home identity*, *Host identity* and *Home identity × Host identity*. Sample weights used. Robust standard errors clustered at municipality level in parentheses; *** $p < 0.01$, **$p < 0.05$, *$p < 0.1$, + $p < 0.15$.

Table A.17: Network Mechanisms. Friends, Associations and Marriage Choices. First Stage

	Dependent variable is:											
	Home				Host				Home x Host			
					Sample is:							
	Friends	Association	Son	Daughter	Friends	Association	Son	Daughter	Friends	Association	Son	Daughter
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Interest in home country	0.2999***	0.3007***	0.3145***	0.3081***	-0.2029***	-0.1933***	-0.1689***	-0.1783***	0.0104	0.0183	0.0587	0.0479
	(0.0286)	(0.0276)	(0.0304)	(0.0309)	(0.0313)	(0.0312)	(0.0388)	(0.0375)	(0.0374)	(0.0348)	(0.0364)	(0.0356)
Italian language at home	-0.2035***	-0.1816***	-0.1980***	-0.1957***	0.0852**	0.0929***	0.1109***	0.1314***	-0.1804***	-0.1551***	-0.1592***	-0.1342***
	(0.0392)	(0.0395)	(0.0365)	(0.0357)	(0.0379)	(0.0342)	(0.0388)	(0.0379)	(0.0418)	(0.0388)	(0.0404)	(0.0366)
Interest in home × Italian language at home	0.1937***	0.1750***	0.1846***	0.1837***	0.0601	0.0567	0.0287	0.0062	0.3024***	0.2818***	0.2714***	0.2453***
	(0.0372)	(0.0381)	(0.0327)	(0.0326)	(0.0453)	(0.0420)	(0.0459)	(0.0444)	(0.0489)	(0.0453)	(0.0471)	(0.0430)
Individual controls	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Municipality × Origin FE	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Week & DoW × Place FE	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Age at arrival × Years in Italy FE	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
R^2	0.641	0.637	0.663	0.663	0.615	0.622	0.638	0.636	0.591	0.594	0.614	0.612
F-test of excluded instruments	115.788	120.534	100.911	85.393	40.088	50.109	30.512	38.890	19.281	19.704	23.957	23.909
Observations	10034	9861	9200	9152	10034	9861	9200	9152	10034	9861	9200	9152

Notes. All regressions include individual controls, municipality × country of origin, week and day of week × place of interview fixed effects. Individual controls are: Proficiency in Italian language, Years in Italy (and its square), Age (and its square), Male, Compulsory school, High school, BA degree +, Having children, Married and Religion dummies. Sample weights used. Robust standard errors clustered at municipality level in parentheses; *** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$.

A.26

Table A.18: Identity, Acculturation, Sector Employment and Income

	Dependent variable (Panel A & B)							
	Employment in						Income	
	Agriculture	Industry	Commerce	Service firms	Service people	Other	Classes	Dummy
Mean dependent var.	0.0262	0.1990	0.1988	0.1168	0.2957	0.1634	2.5613	0.3316
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Panel A: OLS Estimates								
Home identity	0.0316**	0.0322	-0.0196	0.0483	-0.0129	-0.0796	-0.0117	0.0217
	(0.0154)	(0.0428)	(0.0443)	(0.0499)	(0.0491)	(0.0733)	(0.2301)	(0.0716)
Host identity	0.0324**	-0.0289	0.0587	0.0174	-0.0300	-0.0495	-0.1088	-0.0124
	(0.0152)	(0.0483)	(0.0546)	(0.0504)	(0.0460)	(0.0607)	(0.2754)	(0.0819)
Home × Host	-0.0319**	0.0417	-0.0859	-0.0067	0.0276	0.0551	0.1285	0.0101
	(0.0161)	(0.0497)	(0.0679)	(0.0605)	(0.0453)	(0.0610)	(0.2526)	(0.0789)
Linear combinations: acculturation hypothesis								
Integrated (Home + Host + Home × Host)	0.0321**	0.0450	-0.0468	0.0590$^+$	-0.0154	-0.0740	0.0079	0.0194
	(0.0141)	(0.0446)	(0.0419)	(0.0390)	(0.0494)	(0.0731)	(0.2563)	(0.0749)
Integrated - Assimilated (Home + Home × Host)	-0.0003	0.0740*	-0.1055*	0.0416$^+$	0.0146	-0.0244	0.1168	0.0318
	(0.0085)	(0.0402)	(0.0585)	(0.0260)	(0.0347)	(0.0536)	(0.0901)	(0.0271)
Integrated - Separated (Host + Home × Host)	0.0005	0.0128	-0.0272	0.0107	-0.0024	0.0056	0.0197	-0.0024
	(0.0065)	(0.0154)	(0.0212)	(0.0201)	(0.0128)	(0.0139)	(0.0584)	(0.0157)
Assimilated - Separated (Host - Home)	0.0008	-0.0612$^+$	0.0783$^+$	-0.0309	-0.0171	0.0300	-0.0971	-0.0342
	(0.0111)	(0.0394)	(0.0495)	(0.0305)	(0.0374)	(0.0552)	(0.1041)	(0.0314)
Panel B: 2SLS Estimates								
Home identity	-0.0374	1.9181	-0.9262	0.5789	-0.7893	-0.7442	3.9287**	0.6566
	(0.3132)	(1.4892)	(1.0521)	(0.6043)	(0.6627)	(0.6052)	(1.5620)	(0.5842)
Host identity	-0.0950	2.2273	-1.0879	0.5151	-0.7478	-0.8116	3.6542**	0.6312
	(0.3361)	(1.6061)	(1.2006)	(0.6767)	(0.7480)	(0.6116)	(1.7347)	(0.6439)
Home × Host	0.1279	-2.0829	0.8216	-0.5911	1.0285	0.6960	-4.4560**	-0.8771
	(0.3615)	(1.7303)	(1.2403)	(0.6773)	(0.7673)	(0.6518)	(1.7952)	(0.6856)
Linear combinations: acculturation hypothesis								
Integrated (Home + Host + Home × Host)	-0.0045	2.0625$^+$	-1.1925	0.5030	-0.5087	-0.8598$^+$	3.1269**	0.4107
	(0.2903)	(1.3731)	(1.0224)	(0.6107)	(0.6511)	(0.5722)	(1.5634)	(0.5535)
Integrated - Assimilated (Home + Home × Host)	0.0905$^+$	-0.1648	-0.1046	-0.0121	0.2391*	-0.0482	-0.5273	-0.2205$^+$
	(0.0553)	(0.2694)	(0.2112)	(0.1087)	(0.1304)	(0.1153)	(0.4001)	(0.1367)
Integrated - Separated (Host + Home × Host)	0.0328	0.1444	-0.2663*	-0.0760	0.2807***	-0.1156	-0.8018$^+$	-0.2459*
	(0.0494)	(0.2093)	(0.1439)	(0.0995)	(0.1017)	(0.1161)	(0.5423)	(0.1361)
Assimilated - Separated (Host - Home)	-0.0577$^+$	0.3092*	-0.1617	-0.0639	0.0415	-0.0674	-0.2745	-0.0254
	(0.0397)	(0.1855)	(0.1732)	(0.1152)	(0.1158)	(0.1215)	(0.4860)	(0.1296)
Kleibergen-Paap F-statistic	1.575	1.575	1.575	1.575	1.575	1.575	3.904	3.904
Anderson-Rubin (p-value)	0.003	0.011	0.011	0.170	0.028	0.092	0.004	0.168
Individual controls	yes	yes	yes	yes	yes	yes	yes	yes
Municipality × Origin FE	yes	yes	yes	yes	yes	yes	yes	yes
Week & DoW × Place FE	yes	yes	yes	yes	yes	yes	yes	yes
Age at arrival × Years in Italy FE	yes	yes	yes	yes	yes	yes	yes	yes
Sectors FE	no	no	no	no	no	no	yes	yes
Observations	7582	7582	7582	7582	7582	7582	8778	8778
Countries of origin (#)	117	117	117	117	117	117	119	119
Municipalities (#)	217	217	217	217	217	217	224	224

Notes. All regressions include individual controls, municipality by country of origin, week, day of week by place of interview and age at arrival by years in Italy fixed effects. Individual controls are: Proficiency in Italian language, Years in Italy (and its square), Age (and its square), Male, Compulsory school, High school, BA degree +, Having children, Married and Religion dummies. The linear combinations report the estimates of the acculturation strategies; accordingly, *Home identity* and *Host identity* identify the separation and assimilation strategies respectively, while the effect of integration is given by the sum of the coefficients of *Home identity*, *Host identity* and *Home identity* × *Host identity*. Sample weights used. Robust standard errors clustered at municipality level in parentheses; *** $p < 0.01$, **$p < 0.05$, *$p < 0.1$ + $p < 0.15$.

Table A.19: Identity, Acculturation, Sector Employment and Income. First Stage

	Sample is:					
	Sector employment			Income		
	Dependent variable is:					
	Home	Host	Home × Host	Home	Host	Home × Host
	(1)	(2)	(3)	(4)	(5)	(6)
Interest in home country	0.2853***	-0.2045***	0.0178	0.2796***	-0.2156***	0.0011
	(0.0395)	(0.0401)	(0.0457)	(0.0311)	(0.0350)	(0.0340)
Italian language at home	-0.2111***	0.0730**	-0.1655***	-0.1969***	0.0600$^+$	-0.1813***
	(0.0574)	(0.0353)	(0.0508)	(0.0408)	(0.0412)	(0.0457)
Interest in home × Italian language at home	0.2142***	0.0728*	0.3007***	0.1905***	0.0888*	0.3086***
	(0.0528)	(0.0421)	(0.0502)	(0.0376)	(0.0509)	(0.0576)
Individual controls	yes	yes	yes	yes	yes	yes
Municipality × Origin FE	yes	yes	yes	yes	yes	yes
Week & DoW × Place FE	yes	yes	yes	yes	yes	yes
Age at arrival × Years in Italy FE	yes	yes	yes	yes	yes	yes
Sectors FE	no	no	no	yes	yes	yes
R^2	0.696	0.661	0.641	0.652	0.640	0.614
F-test of excluded instruments	130.205	29.364	24.012	87.447	32.584	12.541
Observations	7582	7582	7582	8778	8778	8778

Notes. All regressions include individual controls, municipality × country of origin, week and day of week × place of interview fixed effects. Individual controls are: Proficiency in Italian language, Years in Italy (and its square), Age (and its square), Male, Compulsory school, High school, BA degree +, Having children, Married and Religion dummies. Sample weights used. Robust standard errors clustered at municipality level in parentheses; *** $p < 0.01$, **$p < 0.05$, *$p < 0.1$.

Table A.20: Degree of Integration and Alternative Instruments

	Employment status	Employment in						Income	
		Agriculture	Industry	Commerce	Service firms	Service people	Other	Classes	Dummy
Mean dependent var.	0.8221	0.0262	0.1990	0.1988	0.1168	0.2957	0.1634	2.5613	0.3316
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Panel A: OLS Estimates									
Degree of Integration	0.0463***	0.0044	0.0286	-0.0404**	0.0292*	-0.0093	-0.0124	0.0927*	0.0220
	(0.0131)	(0.0048)	(0.0186)	(0.0193)	(0.0151)	(0.0150)	(0.0180)	(0.0538)	(0.0162)
Panel B: 2SLS Estimates									
Degree of Integration	0.2153***	0.0205	0.2043***	-0.2196***	0.1112	0.0641	-0.1804***	0.0359	-0.0501
	(0.0796)	(0.0271)	(0.0631)	(0.0693)	(0.0852)	(0.0562)	(0.0669)	(0.2064)	(0.0648)

Panel C: First Stage Estimates
Dependent variable: Degree of Integration

Mean dependent var.	3.0968	3.1095						3.0985	
Degree of Interest & Language use	0.1458***	0.1558***						0.1407***	
	(0.0135)	(0.0185)						(0.0171)	
Kleibergen-Paap F-statistic	116.103	70.626						67.639	
Individual controls	yes	yes	yes	yes	yes	yes	yes	yes	yes
Municipality × Origin FE	yes	yes	yes	yes	yes	yes	yes	yes	yes
Week & DoW × Place FE	yes	yes	yes	yes	yes	yes	yes	yes	yes
Age at Arrival × Years in Italy FE	yes	yes	yes	yes	yes	yes	yes	yes	yes
Sector FE	no	no	no	no	no	no	no	yes	yes
Observations	8701	7582	7582	7582	7582	7582	7582	8778	8778
Countries of origin (#)	121	117	117	117	117	117	117	119	119
Municipalities (#)	219	217	217	217	217	217	217	224	224

Notes. All regressions include basic individual controls, municipality × country of origin, week, day of week × place of interview and age at arrival × years in Italy fixed effects. Individual controls are: Proficiency in Italian language, Male, Compulsory school, High school, BA degree +, Having children, Married and Religion dummies. *Degree of Integration* is equal to the average answers to the home and host country identity questions, which we code from 1 to 4, with 1 corresponding to "Far Too Little" and 4 to "Very Much". *Degree of Interest and Language use* is equal to the average answers to the questions about language use, coded on a scale from 1 to 5, and interest in home country, which we code from 1 to 4, with 1 corresponding to "Far Too Little" and 4 to "Very Much". Sample weights used. Robust standard errors clustered at Municipality level in parentheses; *** $p < 0.01$, **$p < 0.05$, *$p < 0.1$.