

Immigrant's Fertility and Legal Status: the Role of the 2002 Italian Regularization reform

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1 Extended Summary

From the second half of the 1970s, Italy became an immigration country with gradually consistent flows from the Third World and, later, from Central and Eastern Europe. In a relative short period, Italy has become one of the country with the largest foreign population in Europe, after Germany, the United Kingdom and France, which have experienced immigration for a longer time. Foreign citizens who legally reside in the country are 5,14 million in 2022, representing nearly 8.7% of the overall resident population. In addition, the lack of legislation governing migration and the absence of controls to the entry flows caused a growing presence of irregular immigrants, an aspect destined to become a constant in Italy's immigration history, together with the recurrent regularization programmes implemented in various years from 1986 (Molinari et al., 2024).

The immigration law implemented by the political party of the Italian centre-right and called the “Bossi-Fini Law” (Law 189/2002) was the most far-reaching measure ever introduced in a European country to combat irregular immigration and implement more restrictive rules for regular immigrants. Despite the intention, only Art. 33 of the Bossi-Fini Law concerning regularization became effective immediately after its official publication in July 2002, while the rest of the law was only approved in early 2005. Thus, during this two-and-a-half-year period, regularization was the most far-reaching measure used to increase the number of regular immigrants and to reveal illegal foreign workers. The

regular immigrants were included in the official labor market by way of permits to stay and the annual renewal of these permits depended on the existence of an employment contract. Numerically, 705,000 irregular immigrants were made eligible for regularization and, of these, 650,000 were approved. In addition, more than 78% of the foreigners who obtained permits to stay in 2003 still had valid permits to stay in early 2007 (Avallone, 2017). That is, the effect of regularization programs was to effectively initiate a course of legality for most formerly illegal immigrants.

The relevance of regularization policy in the Italian case in reducing the number of illegal immigrants represents a valid instrument for most foreigners in the process of settling down and integration in the host country. Conditional on being employed in Italy, regularized immigrants obtained access to the formal labor market and, as a consequence, enjoyed lower risks of losing their job, obtained social security contributions for pensions, improved their access to healthcare and, in general, decreased their shadow price of integration. The increasing number of regular immigrants in Italy after the Law 189/2002 generated possible related effects in demographic sphere. Italy is one of the country among developed nations with the lowest level of fertility with an average number of children per woman of 1.24 in 2022. Italy's fertility rate experienced a long decreasing trend starting from the early 20th, where there are some periods of increase like the famous baby boom in 1965. On the other hand, the total fertility rate (TFR) recovery between 2001 and 2008 may be addressed in part by the increased immigration levels in the country in that period (Goldstein et al., 2009). The existence of differentials in fertility levels between natives and migrants' population in Italy has been well established (Mussino and Van Raalte, 2012). In fact, the fertility rate of immigrants in Italy (2.8) in 2005 was more than double the rate of native Italians (1.25), recording the greatest differences in the north-west of the country¹.

In this paper, we analyze the interplay between immigration policy and fertility transitions in a country characterized by low fertility rate. We argue that policies improving immigrants' rights, especially for immigrant women, raise the economic opportunities and opportunity costs of childbearing and may affect fertility and family formation. We provide an empirical model to test whether and how immigrant mothers, who changed their status from irregular to regular, varied their fertility outcomes. We used data from

¹In 2004 the share of children born to at least one foreign-born parent in Italy had risen to 11.75 percent (ISTAT, 2005)

the Birth Sample Survey (BSS) conducted by the Italian Institute of Statistics (ISTAT) in 2002 and 2005, concerning interviews with mothers between July 2000 and June 2001 (*wave*₁) and in 2003 (*wave*₂), respectively. The years in which the surveys were conducted are those exactly before and after the immigration law came into force and, thanks to this feature, we can adopt a difference-in-differences (DD) model combined with a propensity score matching (PSM) estimator (i.e., propensity score difference-in-differences, PSDD) to estimate the effects of the massive regularization of illegal immigrants on childbearing in Italy. The combination of these two methods allows us to account for time-invariant unobservable characteristics, which differ between treatment group - immigrant mothers with foreign nationality - and control groups - immigrant mothers with acquired Italian nationality and Italian mothers - comparing only those mothers with the most similar observable characteristics. This allows us to compensate the testing lack for parallel trends by re-weighting units to match their pre-exposure trends.

We find that becoming a regular immigrant has significant benefits on the probability of having a first child, which increases by 6 – 7 percentage points with respect to the control group of immigrant mothers with acquired Italian nationality. We show that point estimates of immigrant mothers' intentions to have other children are negative, although estimated parameters are not statistically significant. Extended analyses are carried out by focusing on the fertility decisions of couples when subsamples of employed fathers or mothers are taken into account. The results suggest that, when we considered only individuals directly eligible for regularization, the probability of having the first child is stronger in magnitude with respect to the findings from our baseline estimates.

This article is related to a number of previous studies that have looked at the value of migrants' legal status on both their own and their children's welfare, focusing on the regularization of residence status, changes in access to citizenship and the EU country enlargements, which guaranteed the acquisition of European citizenship. All the extensions of rights by the legal status in the host country are found to have beneficial effects on a range of different outcomes: such as birth weight (Salmasi and Pieroni, 2015), consumption (Dustmann et al., 2017; Adamopoulou and Kaya, 2020), crime rate (Pinotti, 2017) and immigrant children's educational attainment (Felfe et al., 2020). More in-depth, Gathmann and Keller (2017) show that immigrants eligible for German citizenship have higher wages and more stable jobs than immigrants who are not yet eligible. Although

the U.S. context fundamentally differs from Europe in terms of naturalization laws and healthcare access possibilities for migrants, Yun et al. (2013) document that while there are no systematic differences in the self-reported health of children of immigrants with respect to the parents' legal status, differences in health utilization, including prevention and dental services, prevail. Despite its relevance, these studies comprehensively evaluate the long-term consequences of prolonged irregularity and legal status changes on immigrants' trajectories, while our approach follows the current-status and policy-change strand of literature, mainly offering short-term assessments of lacking legal status. Thus our study refers to the policy change approach, which has been applied to the study of migrants' fertility recently. Amuedo-Dorantes et al. (2023) have shown that the introduction of an immigration policy in Spain granting legal status to mothers of children with Spanish citizenship increased the childbearing of eligible mothers. Other immigration policy changes are likely to have specific effects on undocumented migrants' fertility, as in the case of immigration enforcement initiatives in the U.S. lowering childbearing of undocumented immigrant women (Amuedo-Dorantes and Arenas-Arroyo, 2021).

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