

## Abstract

We live in heterogeneous societies with many cultural and ethnic minorities. The cultural composition of our societies changes over time as a result of fertility choices and cultural assimilation. Studying such population dynamics, we introduce optimal fertility choice into the cultural transmission framework, and examine the effect of integration policies which increase the cost of the direct socialization effort. We show that integration policies, while aimed at reducing the minority's size, may have the opposite effect of increasing minority fertility and its growth rate. We further show that even a one-period increase in the cost of direct socialization may change the long run population structure to one with a large minority.