Racial Inequality in France*

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Abstract

In this paper we study ethno-racial inequalities in France. Using information on parents' nationality at birth, we overcome the lack of ethno-racial statistics imposed by the color-blind approach of the French legal system. Despite France's nominally race-neutral approach, we document substantial earnings penalties across the earnings distribution for visible ethnic minorities. These penalties are particularly large for individuals of Middle Eastern and North African (MENA) and Sub-Saharan African origin, with some gender differences. Finally, we present indirect evidence that these penalties are, at least in part, driven by discrimination.

JEL codes: **D31, J15, J71**.

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1 Introduction

Due to the historical legacies of colonization and slavery, and subsequent waves of migration, Western societies are becoming increasingly diverse in terms of race, ethnicity, and religion. A key aspect of this phenomenon is understanding the economic position of minorities with respect to the majority group. This question goes beyond the simple measure of social inequality, as it introduces ethno-racial cleavages alongside more traditional class cleavages. Indeed, for a given level of inequality, racial conflict would be exacerbated if minorities were at the bottom of the income pyramid, while it would be attenuated, or even absent, if minorities were evenly represented across all income levels. Despite the importance of this issue, most Western countries, especially in continental Europe, refuse to collect ethno-racial statistics on the basis that all citizens are equal before the law.[1] This impedes the measurement of their levels of racial inequality. France, with its core republican and secular values, is the epitome of this approach, which some call a color-blind approach while others characterize as the choice of ignorance (Simon, 2008).

In this paper, we build on the work of Govind and Santini (2024) to overcome the lack of ethno-racial data in France and present the first estimates of racial inequality there in different parts of the earnings distribution. To do so, we use administrative fiscal data matched to the French Labor Force Survey and exploit information on parents' nationality at birth to group the French population into different ethnic categories based on ancestry.[2] We then implement quantile regressions to quantify racial gaps at the median, and 90th percentile of the earnings distribution. Following the approach of Bayer and Charles (2018), in addition to traditional measures of earnings gaps, we also examine rank gaps, that is the positional loss on the social ladder associated with lower earnings. These two measures are closely related, but they refer to slightly different concepts: while real earnings gaps speak directly to differences in living standards, positional gaps are more relevant for understanding the structure of society and its relationship to race. Another important advantage of this method is that it allows us to take into account differences in labor market participation, typically an important factor for explaining racial differences in total earnings.

Due to the absence of information on origins in administrative and population census data, we are constrained to aggregate different ethnic groups together due to sample size limitations. Our classification mainly distinguishes between large geographical areas, but also captures other salient cultural and religious traits that might be transversal across continents. This is why, for instance, the African continent is parceled into a Sub-Saharan region and a North African region, with the latter pooled with other Muslim Middle Eastern countries to form the MENA group.[3] While we are aware that these aggregations might bring together very different populations, our analysis is still more granular than most French public discourse, which fails to distinguish between MENA or Sub-Saharan individuals, referring to them as Muslim and Black, respectively (Fredette, 2014; Keaton et al., 2020; Beaman, 2021). Throughout our analysis we distinguish between the follow-

[1] See Simon (2017) for a more in-depth discussion and Balestra and Fleischer (2018) for a precise list of which countries collect which information in 2018.

[2] Using grand-parents' places of birth, Govind and Santini (2024) show that parents' places of birth are, at least for the current generation, a sufficiently good proxy to classify individuals into different ethnic groups. They also argue that this would no longer be the case for the next generation.

[3] This is also the classification recently adopted by the US Census.

ing origins: French, i.e., individuals with no migration history for at least 2 generations, Europeans, MENA, Sub-Saharan, Asian, French from the Overseas Departments (DOM), and a remaining category of Others. Historical colonial ties play an important role in determining the exact origin composition within these groups. As a consequence, MENA is mainly composed of individuals from the Maghreb, Sub-Saharan Africa of people from the western part of Africa, and Asia from what was until the 1950s French Indochina: Vietnam, Laos, and Cambodia. Note that not all minorities in our classification have a recent migration history. People from the Overseas Departments of France have been French for at least three generations and have been attached to France for more than three centuries. Their ancestry dates back to slavery and indentured labor and is therefore a mix of East African and Indian origin. This is why people from the DOM can be defined as the oldest non-white minority in the country. All these ethnic groups, with the notable exception of Europeans, are considered non-white visible minorities in the French context. For this reason, we first present results that aggregate them all and compare them with the white population, and then break them down into more narrowly defined ethnic groups.

Our analysis documents the existence of substantial economic ethno-racial penalties in France. Non-white minorities are over-represented at the bottom of the earnings distribution and under-represented at the top. Being born in the country attenuates the observed penalties, but does not eliminate them. However, not all ethnic groups experience the same penalties, even among visible minorities. On the one hand, Europeans, and to some extent Asians too, are almost indistinguishable from the French. On the other hand, people from MENA and Sub-Saharan Africa report significantly lower earnings in all parts of the distribution. This implies significant positional losses, even for people born in France. People from the DOM are somewhat in between these groups: they do not lag behind other French people at the median, but they are left behind at the top of the earnings ladder, unlike Europeans and Asians. Despite this, they report levels of discrimination that are very comparable to those of the MENA and Sub-Saharan populations. Disaggregating the analysis by gender, we see that intersectionality also operates in the French context, but in different directions depending on the ethnic group and the part of the distribution considered.

We contribute to the literature in several ways. First, we provide the first evidence of racial inequality in France. Due to a lack of suitable data, the evidence on this topic is rather sparse. Most of the previous literature using surveys has focused on labor market participation or education (Meurs et al., 2006; Meurs and Pailhé, 2008; Beauchemin et al., 2022) of second-generation immigrants, without addressing income or the position of minorities in the whole earnings distribution. A partial exception in this regard is the work of Algan et al. (2010) and Govind and Santini (2024), which provide distinct analyses of the labor market, examining employment and log wages/salaries for various first- and second-generation groups, as well as classifications based on skin tone, respectively. We add to these works by properly addressing ethno-racial inequality looking at different parts of the total earnings distribution using quantile regressions. A complementary strand of work has investigated discrimination of minorities in the French labor market using correspondence studies. These works unanimously find substantial discrimination against minorities in call-back rates that put France at the upper end of discrimination in

international comparison (Quillian et al., 2019).[4] We bridge these findings with our main results showing that minorities with the worst labor market outcomes are precisely those reporting higher discrimination, especially in the workplace.
We also contribute more generally to a growing body of work using quantile regressions to analyze racial inequalities in different parts of the earnings distribution, also including zero earners in the analysis. These works are mainly focused on the US (Bayer and Charles, 2018; Althoff, 2021; Bayer et al., 2025), we contribute to this literature by replicating the same techniques in France, a European country with a long colonial history and a diverse population, but that does not collect ethno-racial statistics.

The rest of the paper is organized as follow: Section 2 presents the data and section 3 describes the methodology used in the analysis. In section 4 we present descriptive statistics, while in section 5 we present the main findings. Section 6 concludes.

2 Data

The main data source we use to measure racial and ethnic inequalities is the French Tax and Social Income Survey (*Enquête Revenus Fiscaux et Sociaux*, ERFS) from 2008 to 2019.[5] This dataset links the French Labor Force Survey with fiscal and social benefit information from administrative sources. It thus contains detailed income and employment status information at the individual and household levels. We present results based on total earnings at the individual level calculated as the sum of their labor and capital incomes. The sample size of the ERFS varies between 80,000 and 100,000 observations per year over the period. Restricting our sample to adults between the ages of 25 and 55, and for whom we have information on both parents' origins results in yearly sample sizes that range between 30,000 and 50,000. In our estimation, we focus on this sample (referred to as "All population") and on a restricted sample where we exclude individuals with non-positive earnings (referred to as "Positive earnings").

The ERFS also contains information on the main demographic characteristics of individuals (e.g., age, sex, number of children, marital status, place of birth, place of birth/nationality of parents...). We define an individual's origin based on the group of nationality at birth (France, EU, MENA, Other Africa, DOM, Cambodia-Laos-Vietnam, Others) of her/his parents.[6] Similarly to Algan et al. (2010), we instead exclude individuals who are either of mixed origin or for whom we do not have information on the nationality of both parents. Within the main sample, we define individuals with two French-born parents or two EU-born parents as "White" and individuals with two (non-EU) foreign-born parents as "Non-white."[7]

We complement the ERFS survey with the Training and Vocational Skill Survey (*Enquête Formation et Qualification Professionnelle*, FQP) for the years 2003 and 2014. The

[4] See IPP (2022) for a large-scale example of discrimination against individuals of North African origin.

[5] Parents' place of birth and nationality at birth are recorded since 2005 in the ERFS, but there is a non-negligible share of missing values for these variables between 2005 and 2007.

[6] In the case of the Overseas departments (DOM), we assign individuals to that group if both parents are born in the Overseas departments of France.

[7] Govind and Santini (2024) document the plausibility of this categorization.

income definitions, as well as the main individuals' characteristics (including parents' nationality at birth), are recorded in the FQP in the same way as the ERFS, allowing for full comparability. This survey has a smaller coverage and a much sparser collection. The main advantage of including it is that it allows us to extend our coverage by five years, so as to cover most of the first two decades of the 21st century. It also provides a credible check of the consistency of the estimates produced with the ERFS in 2014.

Finally, in the mechanisms section, we use the Trajectories and Origin (TeO) 2019 survey, which is a unique and rich source of data on origins and discrimination in France. Importantly for our scope, TeO oversamples individuals with a migrant background compensating for its relatively small sample size.[8] TeO contains information on individuals' origins of up to three generations. It also collects a large amount of information about the experience of racism and discrimination through self-reported responses.

3 Methodology

For the main analysis, we estimate quantile regressions for two measures of inequality at different parts of the earnings distribution. We focus on the 50^{th} and 90^{th} percentiles to examine how inequality changes across the earnings distribution. In terms of inequality measures, we follow the analysis of Bayer and Charles (2018) looking at both log earnings and earnings ranks. Differences in log earnings are a straightforward measure of income disparities. Studying how they evolve along the distribution has the advantage of providing a clear interpretation and a concrete quantification of the real earnings disparities faced in society. Inequality, however, is a relational concept. For this reason, analyzing rank gaps provides a complementary measure for understanding societal ethnic differences and positional penalties. Moreover, two societies may have similar ethnic rank gaps but significantly different log earnings differences depending on the difference in earnings between percentiles, i.e., depending on the level of inequality. The two measures are therefore related but not identical. To estimate the earnings gap, we estimate the following equation:

$$log(E_{it}) = \alpha_t + \beta_t * group_i + \epsilon_{it} \tag{1}$$

In this equation, the log of earnings $log(E_{it})$ is regressed on a time-varying constant α_t and a dummy that takes the value of 1 for the group of interest and zero for the majority group. β, the coefficient associated with this dummy, measures the gap between the majority and the minority groups at given percentiles in log points. Importantly, in the main specifications, we always include zero earners. This allows us to encompass differences in employment rates by ethnic groups. Given the relatively greater importance of non-employment for minority groups, including them in the analysis provides a more comprehensive evaluation of inequality. To include zero earners, we add 1 to everyone's earnings, de facto replacing zeros with ones. Unlike for OLS estimators, this addition should not significantly affect our results when estimating quantile regressions. For completeness, we also report the results computed for positive earners only.

To estimate the rank gap, instead, we estimate the following model:

[8] For details on the sampling procedure and the degree of over-representation of minorities please refer to Beauchemin et al. (2023).

$$rank(E_{it}) = \alpha_t + \beta_t * group_i + \epsilon_{it} \quad (2)$$

In this case, the dependent variable $rank_{it}$ is the percentile rank the person's earnings would have in the majority group distribution. This means that α_t is an identity function for the majority group, so it will take the value of the chosen percentile (50 or 90 in our case) in the quantile regression. β_t measures the rank gap of the minority group, in other words, where would an individual at the 50^{th} or 90^{th} percentile in her/his own group's earnings distribution fall in the majority group's distribution. A negative coefficient indicates that an individual i holds a lower rank in the majority group's distribution compared to where she/he stands in her/his own group. The opposite would be true for a positive coefficient.

The additional advantage of using quantile regressions is that the log earnings and rank earning gaps can be computed controlling for individual characteristics. In this analysis, we mainly condition on the age group to which an individual belongs. Differences in fertility, as well as a higher share of young adults among migrants typically make the age gradient of minority groups different from the majority one, even though in this analysis we restrict to prime-age workers. To account for these differences, we divide our population into 6 age groups and implement the methodology described above to condition for them.

4 Descriptive Statistics

Table 1 presents descriptive statistics for our main sample. As we restrict our analysis to prime-age workers between 25 and 55 years of age, the average age is around 40, with non-white minorities being slightly younger. Despite being younger, minorities tend to have more children than individuals of French origin or from Europe. This is mostly because a large share of this population is born outside mainland France in countries with very different fertility rates.[9] Regarding the labor market, there are substantial advantages in terms of employment rates, labor earnings, and total income for people of French and European origin compared to other ethnic groups. Similarly, minorities report higher levels of unemployment and inactivity than people of French and other European origin.[10] To gain additional insights into the labor market of minorities, Figure 1 further decompose the non-employment rate of ethnic groups by gender and place of birth. The results show that women from all ethnic groups have low labor market participation rates, with a non-participation rate roughly twice that of men. Interestingly, we observe some convergence for minority women to the level of participation of women of French origin. The convergence for men is much smaller and in some cases (MENA, Sub-Saharan Africa, and Others) it even goes in the opposite direction. It is worth noting that people of MENA and Sub-Saharan origin fare worse in particular and converge the least to the only-French employment rates, despite being the second (7.9%) and fourth (2.5%) macro ethnic groups, respectively, in the population.

[9] There are substantial differences among minorities themselves: For instance, only 13% of the individuals of Sub-Saharan origin are born in France, versus more than 33% of the individuals of MENA.

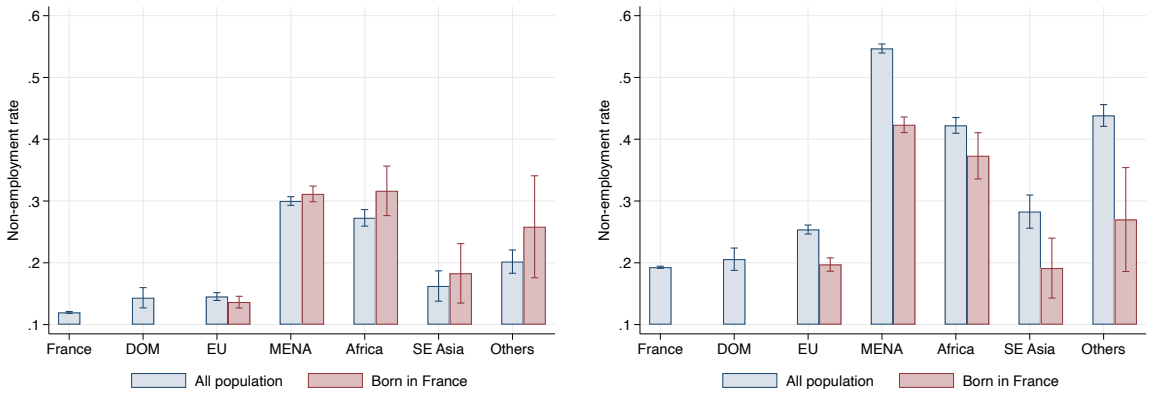
[10] In addition to being higher, these levels have remained remarkably stable over our period of analysis, see Appendix Figure 9.

Table 1: Descriptive Statistics

	All	Sample	French	EU	MENA & Maghreb	Other Africa	Laos-Camb. -Viet	DOM	Others
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Demographic characteristics									
Age	39,9	40,0	40,1	41,5	38,5	38,3	39,0	38,9	38,6
Male	0,49	0,49	0,49	0,47	0,49	0,45	0,45	0,49	0,38
No of children <18y	0,61	0,62	0,57	0,55	0,96	0,94	0,66	0,65	0,74
Married	0,47	0,47	0,45	0,56	0,68	0,46	0,56	0,31	0,65
Born in Mainland France	0,85	0,85	0,98	0,39	0,33	0,13	0,26	0,31	0,05
Mixed Origins	0,06								
Labor market situation									
Employment rate	0,80	0,81	0,84	0,80	0,57	0,64	0,77	0,82	0,65
Unemployment rate	0,07	0,07	0,06	0,07	0,15	0,16	0,08	0,09	0,09
Inactive	0,12	0,12	0,10	0,13	0,27	0,20	0,15	0,09	0,25
Labor income	19779	19889	21008	19583	11990	12843	17841	19755	13510
Earnings	21246	21383	22647	21034	12552	13331	20277	20044	14251
Total income	22264	22385	23624	21992	13812	14559	21225	21042	15038
Non-positive labor income	0,17	0,16	0,14	0,19	0,32	0,22	0,20	0,10	0,30
Non-positive earnings	0,13	0,12	0,10	0,15	0,30	0,21	0,15	0,09	0,26
Non-positive total income	0,10	0,10	0,08	0,12	0,25	0,16	0,12	0,06	0,24
Observations	501058	459871	379570	25705	34171	10007	1948	3678	4792
Share in population			81,1%	5,8%	7,9%	2,5%	0,4%	0,9%	1,2%

Notes: This table reports descriptive statistics for all individuals in the prime working age group (25 - 55 years old) in the pooled ERFS 2008 - 2019, in the first column. The column "Sample" restricts the sample to individuals for whom both parents are from the same given origin. It represents 92% of the "All" sample and excludes individuals for whom we do not know both parents' origins and individuals who are of mixed origins. Columns (3) to (9) ("French" to "Others") decompose column (2) ("Sample") based on the parents' specific origins. Income estimates are annual estimates reported in constant 2019 euros. The share in population are weighted averages.

Figure 1: Non-employment rate by sex and place of birth

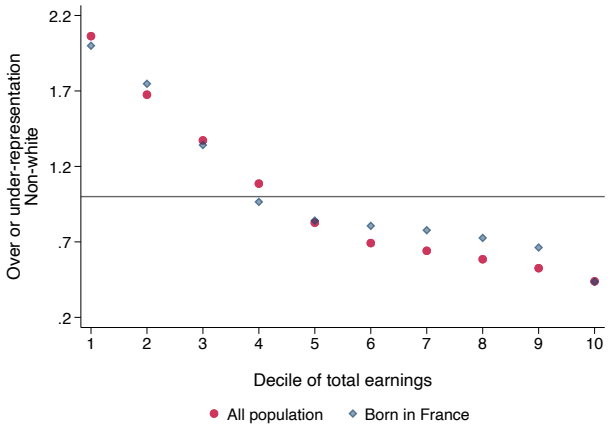


(a) Male (b) Female

Notes: The figures report the non-employment rate by origin group by gender and place of birth.

As a last piece of descriptive evidence before moving to quantile regressions, it is useful to have a broader picture of ethno-racial inequalities in the whole earnings distribution. We present two complementary figures to show how non-white people fare worse than the

Figure 2: Over/under-representation by earnings deciles



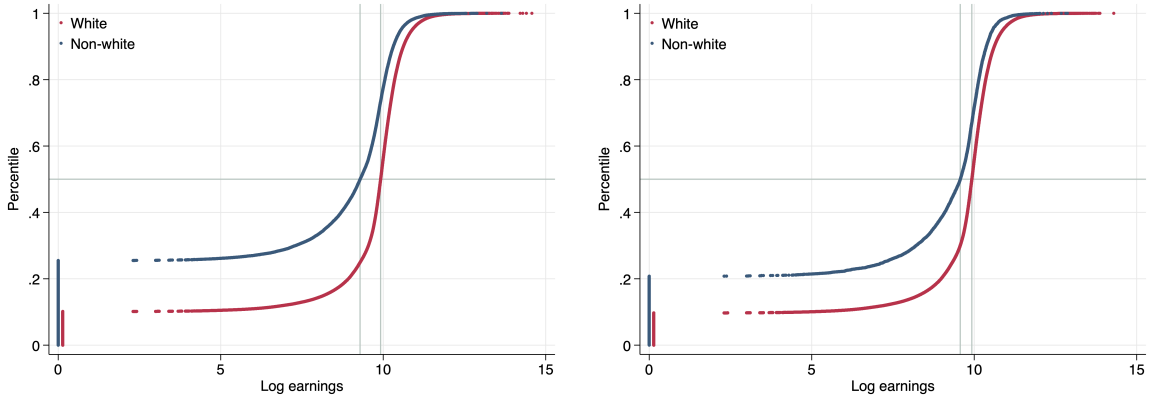
Notes: The figures show the extent to which non-white individuals are over/under-represented in each decile of total earnings. Sample: Working-age population (25 - 55 years old). Non-white individuals are individuals with two non-EU foreign-born parents of the same origins as described in Section 2, and they represent 13% of the total population.

white population in France. Figure 2 reports the over- or under-representation of non-white individuals in each decile of the earnings distribution. A value of 1 implies a perfect match between the overall non-white population share and its share in a specific decile. Randomly allocating individuals to deciles would result in a perfect balance of non-whites (and any other categorization) across the distribution, and a resulting flat line at 1. As the figure shows, this is not the case: non-white people are largely over-represented at the bottom of the distribution and severely under-represented at the top. This is true even when focusing exclusively on individuals born in France (blue diamonds) for which the slope of the curve is only mildly tilted upward, or including only individuals with positive earnings (Appendix Figure 10). Figure 3 further examines the white/non-white divide plotting the cumulative earning distributions of the respective groups for the whole population and the subset of those born in France. The non-white distribution stochastically dominates the white distribution implying that non-white individuals are poorer than white ones for any given earnings percentile (y-axis) of each respective distribution. This is mainly driven by the higher share of non-employment among non-whites, but remains true at the very top of the distribution. Again, among people born in France, this relationship is attenuated but is nonetheless still present. We further explore these patterns using quantile regressions in the next section.

5 Results

Turning to our main analysis, Figure 4 reports the results for quantile regressions on earnings (panel a) and ranks (panel b), for both the median and 90th percentiles of the whole population and for the sub-group of individuals born in France. Several interesting patterns emerge from this figure: I) Non-white individuals are paid less than white individuals in all parts of the distribution, resulting in a positional penalty in the earnings ladder; II) this penalty is larger at the median than at the 90th percentile; III) the penalty is also larger for the whole population than for those born in France. The gap is partic-

Figure 3: Log earnings distribution

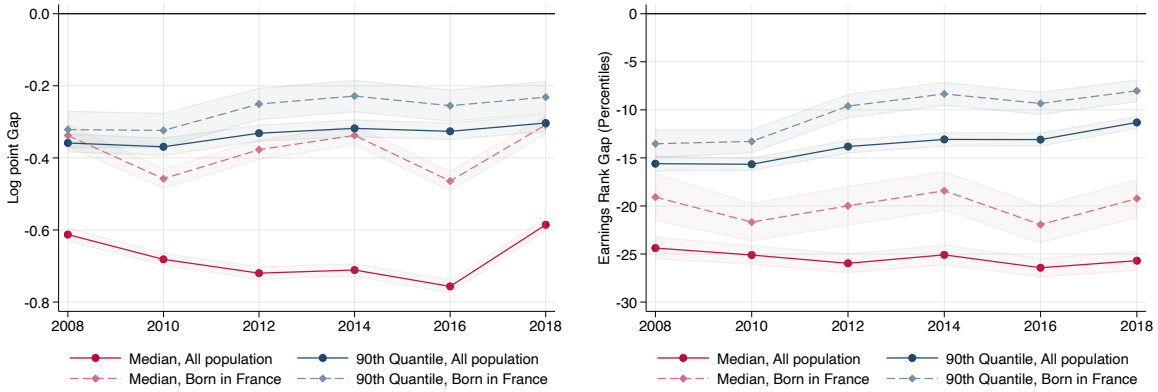


(a) All population (b) Born in France

Notes: The figures show the log earnings distribution for the working-age population (25 - 55 years old) for individuals with two French-born or European-born parents (White) and two (non-European) foreign-born parents (Non-white). Panel (a) is estimated on the whole adult population, and Panel (b) is restricted to those born in France.

ularly large in earnings at the median when including foreign-born individuals. This is mainly driven by a much higher non-employment rate among the non-white foreign-born population than either its white counterpart or the non-white population born in France, as shown in Figure 1.

Figure 4: Earnings and Rank gap, Median and 90th Percentile



(a) Earnings gap (b) Rank gap

Notes: Panel (a) reports the estimation of β from equation 1. It shows the trend in the log point gap between white and non-white at the median and the 90th quantile. Panel (b) reports the estimation of β from equation 2. It shows the evolution of the earnings rank gap (measured in percentiles) between white and non-white at the median and the 90th quantile. Sample: Working-age population (25 - 55 years old).

Intersectionality, in this case, the interaction between gender and ethno-racial minority status, has long been shown to matter for the labor market experience of different individuals. Indeed, by dividing our population by gender, as in Figure 5, we find that there

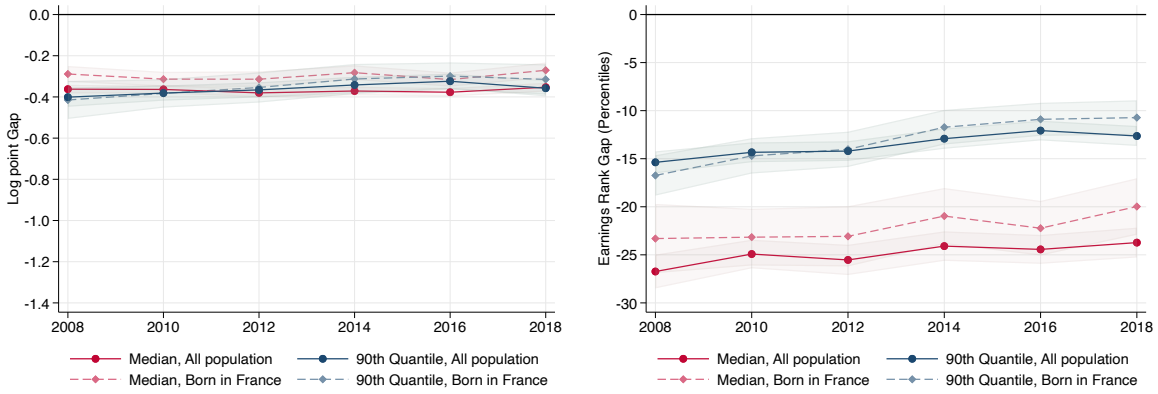
exist important differences between men and women. Men are uniformly 40-30 log points lower paid than their white counterparts in all parts of the distribution and irrespective of their birthplace status. These earnings gaps do not translate equally into rank gaps due to the log-normal shape of the earnings distribution. At the median, where the distribution is highly compressed, the log gap translates to an approximately 25 lower rank points; at the 90th percentile, the same gap implies a loss of 15 to 10 rank points only. For women, instead, earnings gaps are significantly larger at the median than at the 90th percentile, and migration status significantly influences these gaps, especially at the bottom. This is no surprise given the extremely low participation rate of women of certain ethnic groups, namely women of MENA and Sub-Saharan origin, especially when foreign-born (see again Figure 1). In terms of magnitudes, non-white women at the median earn around 130 log points less than white women and have a rank penalty of 25 to 30 rank points. For women born in France belonging to a non-white minority the gap shrinks to around 60 log points and around minus 20 rank points. Interestingly, however, non-white women, especially when born in France, are closer to white women at the 90th percentile than men are to their white counterparts. This is similarly reflected in the ranks gap that stands at less than -5 rank points for women in the 2018-19 period compared to -10 for men. In both cases, we observe a clear reduction in the positional gaps between whites and non-whites which closes by 5 rank points in our period of analysis. This is not the case for the gaps at the median that remain more constant, even though for men there might be a positive trend that is however not yet significant.

The earnings gaps between the white majority and the non-white minority documented so far are an important first step in understanding racial inequality in France. Yet, the patterns of discrimination are likely to vary substantially depending on the ethnic group. This is indeed what Mirza and Warwick (2024) found for the UK, where even seemingly similar groups such as Indians, Bangladeshi, and Pakistani individuals fare remarkably differently in the labor market. Not acknowledging these differences might undermine the effort to reduce inequality, as not all groups might be equally penalized or need the same types of interventions. To better uncover these patterns, we further disentangle our analysis by comparing our main ethno-racial groups with the French majority population. Note that in this exercise Europeans are also separated from the white majority group. This allows us to see how a white population with a migration history fares in France compared to a non-white population. Figure 6 reports these results broken down between Europe, MENA, Sub-Saharan Africa, Asia, and the French Overseas departments (DOM). As before, we not only disentangle between the median and 90th percentile, we also distinguish between the whole population and individuals born in France. Since the overseas departments are French, this distinction does not apply to individuals with DOM origin. We uncover a complex pattern with substantial heterogeneity across groups, even among the non-white group, confirming the necessity of this more disaggregated analysis.

Starting with Europeans, the only noticeable difference with "French" is visible at the median when including foreign-born individuals. Interestingly, there has been a slight deterioration of the position of this group up until 2012. This is most likely the result of the European Union expansion and the inflow of lower earning migrants from newly incorporated countries. By the second generation, however, this gap closes, providing evidence of full integration with the majority group and supporting our previous decision of pooling these individuals with the "French" population as white. People with a MENA

Figure 5: Earnings and Rank gap by place of birth and sex, Median and 90th Quantile

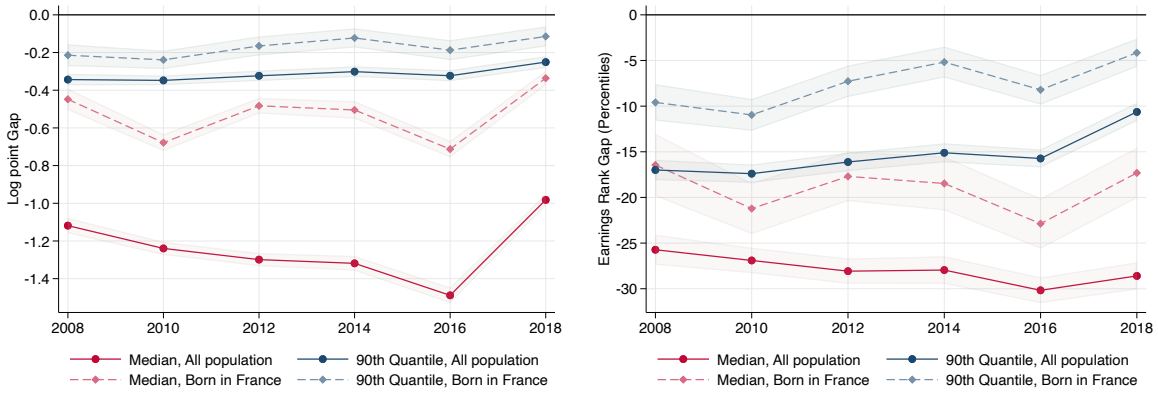
Male



(a) Earnings gap

(b) Rank gap

Female



(c) Earnings gap

(d) Rank gap

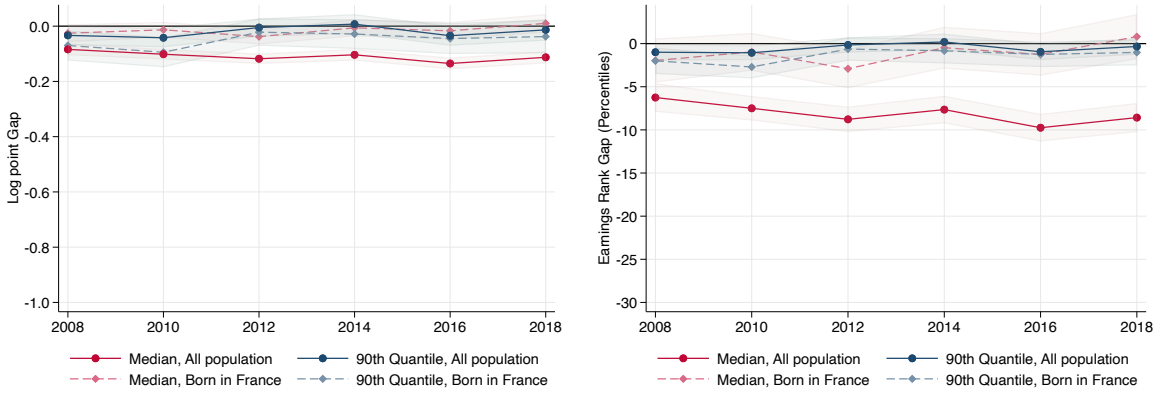
Notes: The figures report the log earnings point gap (β from equation 1 in the left panel) and the earnings rank gap (β from equation 2 in the right panel) at the median and 90th percentile, between white and non-white individuals. The upper panel shows the results for men and the bottom panel for women. Sample: Working-age population (25 - 55 years old).

or Sub-Saharan origin are subject to a completely different trajectory. Their earning penalties are quite large at the median (at around -80 and -100 log points, respectively), but remain consequential also at the 90th percentile (approximately 40 log points in both cases). Being born in the country does improve the overall position of these minorities as well, mainly through a higher labor market participation, especially for women with these origins.[11] Yet, gaps remain visible and quite large, especially for the population with MENA origin. These patterns are quite noisy, especially for the Sub-Saharan origin population, but are overall quite stable. Perhaps the unique positive exception is represented by the gaps at the 90th percentile of individuals of MENA origin. As of 2010, in fact, there has been a small but non-negligible improvement in their relative earnings and position. Still, both MENA and Sub-Saharian origin French-born individuals remain 10 rank gaps below their White co-nationals at the 90th percentile and 25 and 15 ranks below, respectively, at the median.

[11] This is again shown in Figure 1.

Figure 6: Earnings and Rank gap by place of birth and origin, Median and 90th Quantile

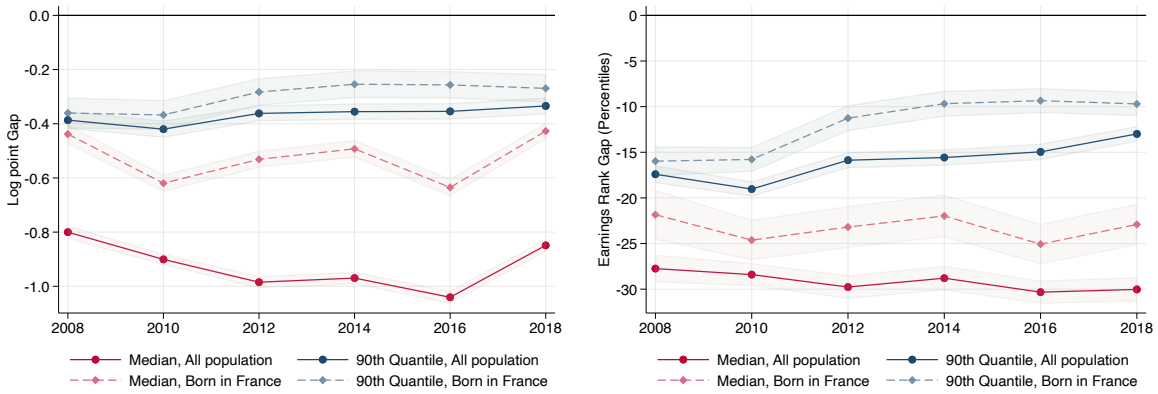
EU



(a) Earnings gap

(b) Rank gap

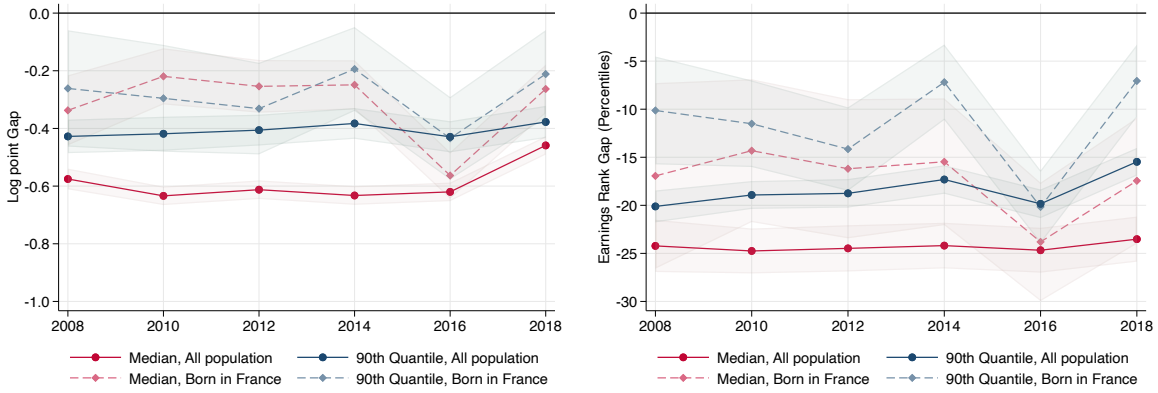
MENA



(c) Earnings gap

(d) Rank gap

Africa

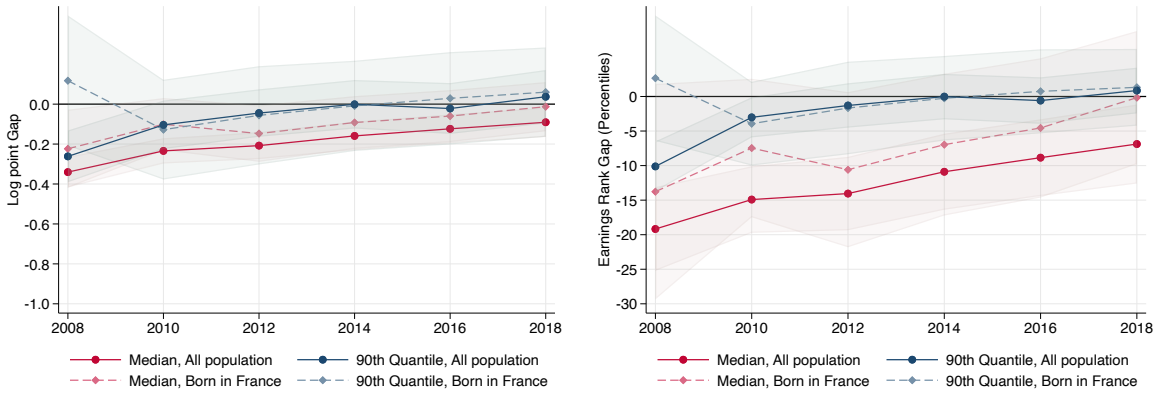


(e) Earnings gap

(f) Rank gap

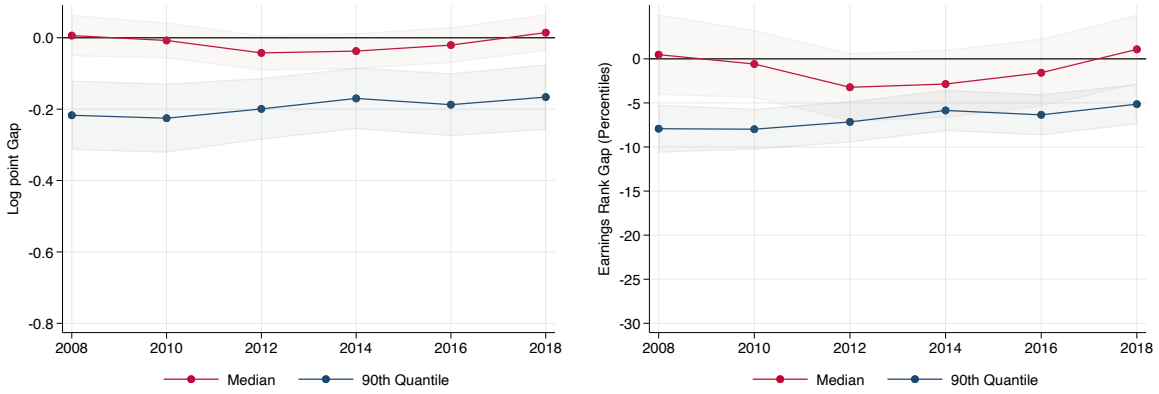
As it has been shown in the U.S., people of Asian origin are a non-white minority group that fares almost as well as the white population. This is particularly evident at the top of the distribution, but it is almost the case at the median as well, at least for those born in France, in the last biannual point available. This is confirmed when aggregating all

Asia



(g) Earnings gap (h) Rank gap

DOM



(i) Earnings gap (j) Rank gap

Notes: The figures report the log earnings point gap (β from equation 1 in the left panel) and the earnings rank gap (β from equation 2 in the right panel) at the median and 90th percentile, between white and non-white individuals. The upper panel shows the results for men and the bottom panel for women. Sample: Working-age population (25 - 55 years old).

years together to gain statistical power as shown in Figure 12. The aggregation however conceals the stark improvement that occurred at the median between 2008 and 2019. Although noisy, we can conclude from our analysis that even first-generation Asian migrants are catching up with the majority group, probably driven by the positive selection of immigrants and the high human capital of many individuals in this population (Algan et al., 2010; Beauchemin et al., 2022). This is primarily reflected in the very high labor market attachment of both men and women for this group, irrespective of their country of birth.

The final group we single out comprises individuals who are French for at least three generations, but are likely to belong to an ethnic minority. These are people from or with an origin in the overseas departments of France. As mentioned before, the population in the DOM is formed to a large extent by descendants of enslaved individuals and laborers brought from Africa and India during the colonial time to work on sugar plantations. For this reason, they are the oldest non-white minority in the country. Because of the particular mix and secular attachment to France, their main and only culture is French

one, be it in terms of names, religion, or schooling. Indeed, at the median we estimate a precise zero gap. At the 90th percentile, however, we observe a quite steady gap of 20 log points. This corresponds to a gap of roughly 8-5 rank points, which is smaller, but not very different from the one observed for both MENA and Sub-Saharian origin people born in France. Thus, despite being French for at least three generations, people from the DOM are not yet equally represented at the top of the earnings distribution.

Table 2: Earnings and Rank gap by origin, sex, and place of birth, Median and 90th Quantile

	Log points gap				**Earnings Rank gap**			
	Median		90th Quantile		Median		90th Quantile	
	All Pop.	Born in France	All Pop.	Born in France	All Pop.	Born in France	All Pop.	Born in France
EU								
Male	-0,04	0,00†	0,01†	-0,06	-3,3	-0,2†	0,1†	-1,6
Female	-0,21	-0,05	-0,05	-0,07	-11,0	-3,3	-1,6	-2,4
MENA								
Male	-0,45	-0,35	-0,39	-0,35	-27,5	-24,7	-15,0	-13,2
Female	na.	-0,73	-0,37	-0,22	na.	-22,9	-19,3	-9,8
Africa								
Male	-0,36	-0,34	-0,40	-0,38	-24,8	-23,9	-15,6	-14,6
Female	-0,80	-0,30	-0,38	-0,14	-24,0	-13,7	-19,6	-5,6

Notes: This table reports the earnings and rank gaps at the median and 90th quantile by sex (male vs. female), place of birth (all population vs. born in France), and origin (EU vs. Middle East and North Africa (MENA) vs. Other Africa). Given that non-employment is above 50% for first-generation women from MENA, the Median earnings and rank gaps cannot be estimated for that group. All coefficients, except those marked with †, are statistically significant at a 95% confidence level. Sample: Working-age population (25 - 55 years old).

The final result we present is a decomposition by gender and place of birth for the three most populous minorities in the French population: individuals with European, MENA, or Sub-Saharan origin. Due to the sample size limitation, particularly concerning the Sub-Saharan group, and also because of the limited variation over time, in this exercise we pool all years together and present the results for the pooled sample only in Table 2. Splitting by gender, we observe that men of European origin fare roughly the same as men with only "French" origin, both among the first and second generations. This does not seem to be the case for women, especially at the median for those of foreign origin: European women earn 21 log points less than French women, resulting in an 11 rank point gap at the median. This gap almost closes (5 log points and 3.3. rank points, respectively) for women born in France or for women at the 90th percentile instead (5 log points and 1.6 rank points).

A very different picture is observed for individuals of MENA origin: here both men and women experience large penalties with respect to their French counterparts. Including women born abroad in particular, the share in non-employment is so large that we are unable to compute the median earnings and rank gaps.[12] This is not the case for men

[12]See Figure 1.

and women born in France, although they both fall lower in the earnings ladder. Men at the median are paid 45 log points less than French men, and this gap is only moderately reduced to 35 log points for those born in France. Even more starkly, men at the 90th percentile earn 39 and 35 log points less, respectively, if we look at the whole population or only at those born in France. These differences translate into large rank gaps that range between 27.5 and 24.7 rank points at the median and 15 and 13.2 at the 90th percentile. This means that for this group, being born and raised in the country does not improve their overall condition much, implying stagnating intergenerational mobility as documented by **?**. Because of the severe non-employment rate, women born in France of MENA origin earn 73 log points less at the median than they would have been if randomly assigned to the French women distribution. This large gap, however, translates into a 22.9 rank point gap, similar to the one experienced by men despite the fact that their earnings penalty is half the size of women's. Somewhat surprisingly, looking at the 90th percentile for this population, we observe a gap of only 22 log points and a rank gap of slightly fewer than 10 rank points, i.e., smaller gaps than for their men at the same percentile. This is an interesting result that may nevertheless be driven by the capping of women's earnings in general, than from a real labor market gain of MENA-origin women at the top.

Finally, the population of Sub-Saharan origin also experiences labor market penalties relative to the French-origin population. Concerning men, all gaps are quite similar to those of MENA-origin men. Women tend instead to do slightly better, at least those born in France. At the median, this is due first and foremost to their higher labor force participation. At the 90th percentile, labor force participation is no longer binding, so we shall conclude that they are somehow better off for other reasons, possibly involving less discrimination based on visible religous attributes. In terms of magnitudes, at the 90th percentile, Sub-Saharan origin women born in France have earnings that are 14 log points lower than French women (versus 22 for MENA women), which translates into a 5.6 rank point gap, a gap that is "only" twice as much as large as that for European women born in France. Again, this result might be driven by overall gender discrimination in high-paying positions, but it underlines the importance of having an intersectional perspective to measuring inequality.

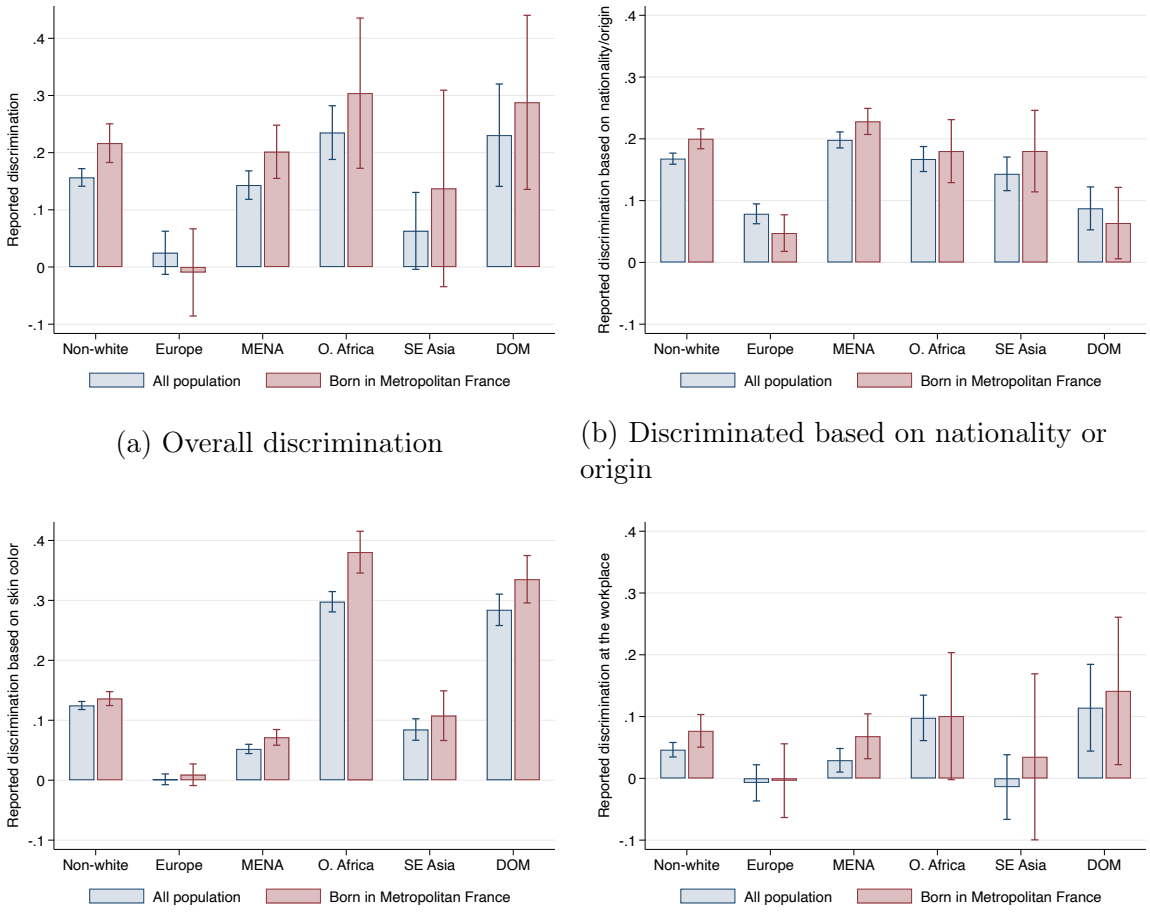
5.1 The role of discrimination

What explains the earnings differences documented above? Differences in human capital are among the most plausible candidates for explaining some of the reported patterns. This is, for instance, the case when comparing natives with foreigners: besides language fluency, in fact, foreigners might have received a lower quality education – or one more mismatched to the French labor market – than French-origin workers, resulting in lower human capital accumulation. These types of explanations are however less compelling in explaining ethno-racial penalties between individuals born in France. Yet, we do observe some degree of penalties between non-white ethno-racial minorities and the majoritarian "French" ethnic group. In these cases, then, something else must be at play, and an obvious candidate is discrimination. While it is hard to prove discrimination, an extensive literature of audit studies has shown that discrimination is undoubtedly present in the French labor market.[13] In this analysis, we use information from the TeO survey to describe the

[13]See Govind and Santini (2024) for a summary, and Quillian et al. (2019) for a cross-country comparison meta-analysis.

experience of racism and discrimination reported by the population groups analyzed so far. The main question of interest is: "In the last 5 years, do you think you have been subjected to unequal treatment or discrimination?" If answered positively, respondents are further asked to elucidate the perceived reasons underlying such treatment, including age, sex, skin color, religion, accent, or origin, among others. We focus on overall discrimination, further decomposing it into discrimination based on nationality or origin, and discrimination based on skin color. In addition, we report the amount of discrimination faced in the workplace as relevant information to explain differences in the total earnings of individuals. In each graph, we differentiate between results for the whole population and individuals born in metropolitan France only. The results are reported in Figure 7 and for convenience only present differences between the analyzed groups and the majority group.

Figure 7: Reported discrimination by group of origin



(a) Overall discrimination

(b) Discriminated based on nationality or origin

(c) Discriminated based on skin color

(d) Discriminated at the workplace

Notes: The figures show the average reported discrimination by group of origin, decomposed by place of birth (France versus elsewhere).

To begin with overall discrimination, Figure 7a presents a clear picture: in all cases, overall reported discrimination is higher for non-white groups compared to the white French-descent population. Western Europeans are, once again, an exception, with non-distinguishable differences from the majority group. Interestingly, reported discrimination increases for individuals born in France, again excepting Europeans, for whom the

point estimate goes down. These two facts underline how a feeling of entitlement affects the perception of discrimination, but also that there is nothing mechanical in the differences between first- and second-generation perceptions of discrimination. Disentangling the main components of interest (Figures 7b and 7c, respectively), we see that different groups report different types of (main) discrimination: individuals of MENA and Southeast Asian origin report substantially more discrimination based on nationality and origin than skin color. The opposite is true for individuals with Sub-Saharan origin, and even more for people from the Overseas Departments of France. Finally, turning to the place where individuals experienced discrimination, we learn that most of it happens in the street or other public spaces (not reported). More relevant for the earnings of individuals, however, is the workplace, hence we turn our attention to this category. Figure 7d reports the share of individuals discriminated against in the workplace by our main origin groups. Patterns align very well with the earning disparities documented in the previous sections: Europeans and Southeast Asians report levels that are not statistically different from those of the white French majority, but all other groups report experiencing higher discrimination at work. While these self-reported outcomes suffer from several biases, not least a saliency bias that makes reporting less likely to occur in other categories if one category is clearly dominant over the others (Beauchemin et al., 2010; Primon and Simon, 2018), they still offer a coherent picture with respect to the main earnings disparities, pointing to discrimination as a likely factor in explaining (part of) the observed gaps. For this reason, more academic research is needed in this area as well as policies that can tackle this issue, which is often subtle and underreported but that has very real consequences.

6 Conclusions

In this paper we apply quantile regressions to document ethno-racial inequality in different parts of the earnings distribution in a notionally color-blind society, France. Our results point to the existence of substantial penalties in terms of log earnings and rank gaps through the earnings ladder for the non-white parts of the French population, with only limited signs of convergence over time. Being born in France substantially reduces these gaps, but does not eliminate them. Visible minorities experience the largest penalties, while white Europeans are almost indistinguishable from the French-origin population. Even among visible minorities, however, not all ethnic groups fare the same: the most disadvantaged groups are those of MENA and Sub-Saharan origin, while Asian-origin individuals fare almost as well as Europeans. Decomposing the main results by gender, we observe two interesting patterns: on the one hand, minority women, especially from MENA and Sub-Saharan countries, tend to have much lower rates of labor force participation. Addressing this gap is thus without a doubt the main policy implication of this analysis to reduce median earnings inequalities in the country. On the other hand, however, women from visible minorities at the top of the distribution fall less behind women in the majority white population than is the case for men. This pattern might be partially explained by the cap in the earnings distribution of women from all ethnic groups. Yet, these results call for a better understanding of the labor market trajectories of different parts of the earnings distribution and underlines the importance of doing so separately by gender. While our work is mainly interested in documenting ethno-racial inequality, in the last section, we offer some insights on the possible role of discrimination in explaining the observed patterns. In line with a large literature on correspondence studies, we

document differences in reported discrimination by ethnic groups that are consistent with the main patterns in labor market inequality. As a consequence, fighting discrimination also emerges as an important policy objective to address ethno-racial inequality and avoid racial conflict within the country.

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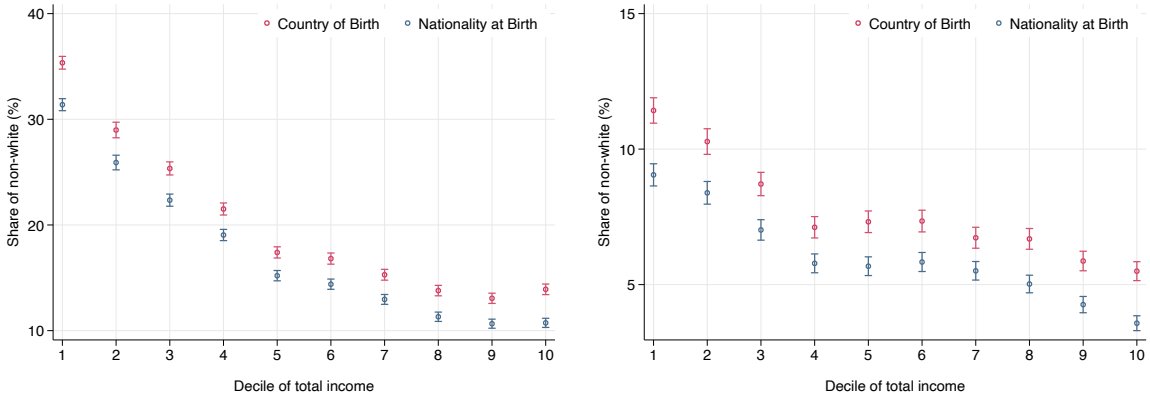
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A Appendix

A.1 Parents' country of birth v/s nationality at birth

Given that the variable parents' country of birth is only available in the rounds between 2008 and 2012, in the main analysis we rely on parents' nationalities at birth instead to define the origin of individuals. In this section, we focus on the years when both variables are available and document the extent to which our results differ using one variable or the other.

Figure 8: Share of non-white under different definitions of origins



(a) All population (b) Born in Mainland France

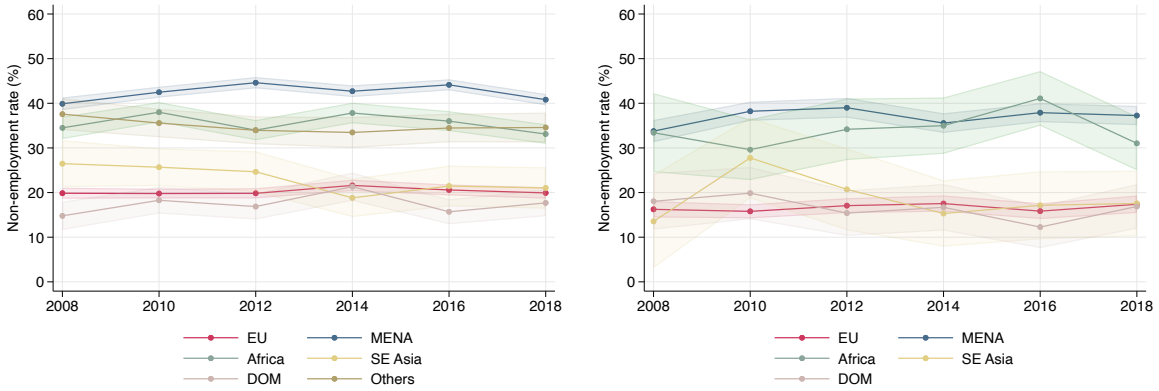
Notes: The figures show the share of non-white individuals in each decile of total income. Panel (a) is estimated on the whole population, while panel (b) is restricted to those Born in Mainland France.

Defining the origin of individuals using their parents' countries of birth rather than their parents' nationality at birth increases the proportion of the population that would be classified as non-white. For the population as a whole, this represents an increase of about 1-4 percentage points or about 10%. For people born in France, the gap is similar, but it now represents an additional 20% of non-white population. These differences are not very large, but they are not negligible either. What remains constant, however, is the trend across income percentiles. This means that our main results are not fundamentally affected by the definition used. It should also be noted that the country of birth of the parents could be more misleading than the nationality of the parents at birth, as a significant number of French people lived in the colonies before decolonisation. This part of the population was relatively rich given their colonial status but would be misclassified

as non-white using the parents' country of birth rather than their nationality. This may be why we see a relatively larger gap between the two series in the last decile. So, although data limitations force us to use parents' nationality at birth, we believe that I) this choice does not significantly affect the result, and II) it is a better choice to capture individuals' minority status.

A.2 Non-employment rate

Figure 9: Evolution of non-employment rate by place of birth



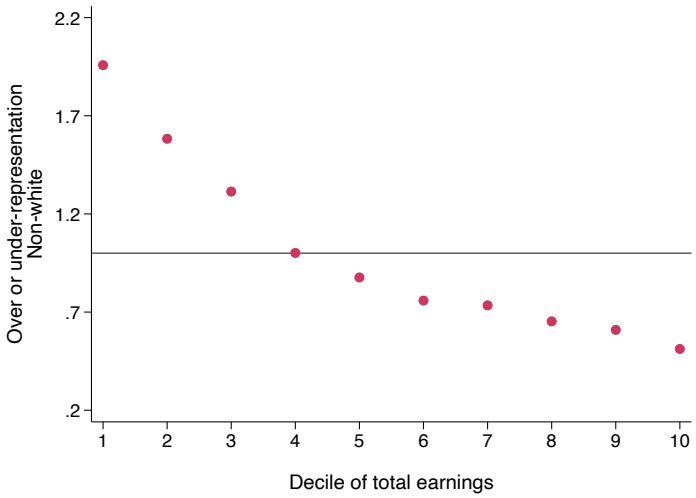
(a) Full population

(b) Born in Mainland France

Notes: The figures report the evolution of non-employment rate by origin group. The group "Others" is not reported in Panel (b) due to limited sample sizes.

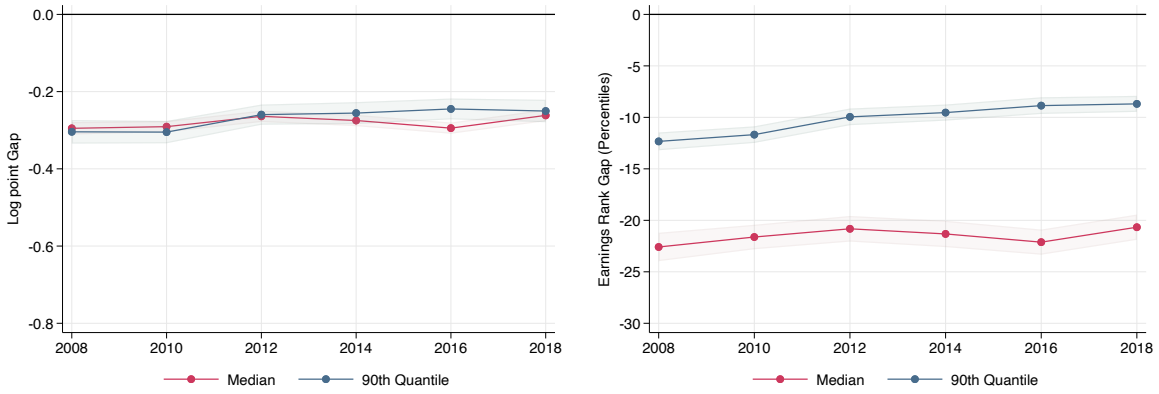
A.3 Over/under-representation

Figure 10: Over/under-representation by earnings deciles for positive earnings



A.4 Earnings and Rank gap

Figure 11: Earnings and Rank gap Positive Earnings, Median and 90th Percentile

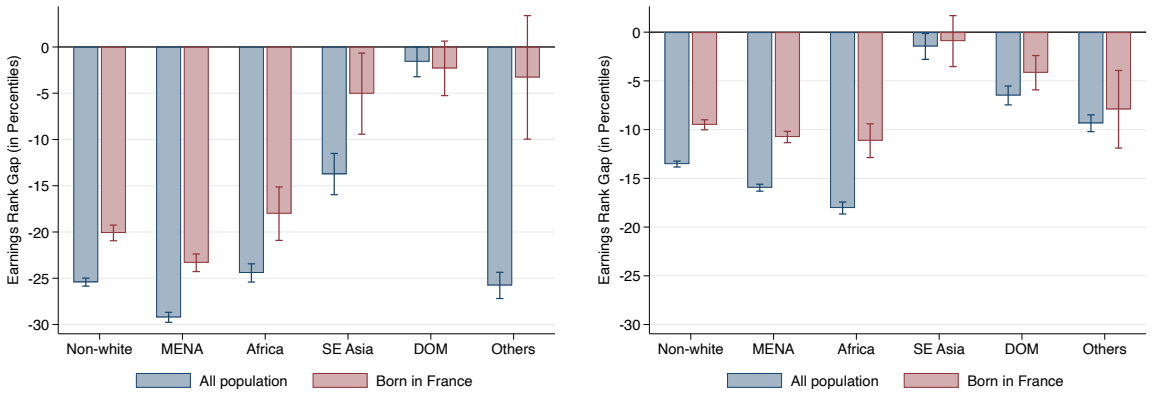


(a) Earnings gap (b) Rank gap

Notes: Panel (a) reports the estimation of β from equation 1. It shows the trend in the log point gap between White and Non-white at the median and the 90th quantile. Panel (b) reports the estimation of β from equation 2. It shows the evolution of the earnings rank gap (measured in percentiles) between White and Non-white at the median and the 90th quantile. Sample: Working-age population (25 - 55 years old), Positive Earnings.

A.5 Earnings rank gap by origin

Figure 12: Earnings rank gap by group of origin and place of birth, Median and 90th Quantile



(a) Median (b) 90th Quantile

Notes: The figures reports the estimation of β from equation 2. They show the earnings rank gap (measured in percentiles) at the median in Panel (a) and the 90th quantile in Panel (b) for the working-age population (25 - 55 years old). It reports the overall gap between Non-white and White, which is then decomposed into regions of origin, namely Middle-East and North Africa (MENA), Sub-saharan Africa and Other Africa (Africa), Laos-Cambodia-Vietnam (SE Asia), the Overseas Departments of France (DOM), and the rest of the World (Others).