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RACIAL INEQUALITY IN FRANCE

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ABSTRACT

We study racial inequality in 21st century France. Using parents' nationality at birth, we overcome the lack of ethno-racial statistics stemming from the country's "color-blind" approach. We document substantial earnings penalties for racial minorities along the income distribution. Penalties are larger at the median than the top and for Middle-Eastern and North African (MENA) and Sub-Saharan African origin (Black) individuals. We compare racial inequality in France vs. the U.S. by simulating where French minorities would fall in the U.S. distribution. Black and Non-White individuals in France benefit from the country's lower overall inequality, but experience comparable, occasionally larger, rank gaps.

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1 Introduction

Due to the historical legacies of colonization and slavery, as well as more recent migration waves, European societies have become increasingly diverse in terms of race, ethnicity, and religion. Yet despite this growing diversity, there is surprisingly scant evidence on how minorities are faring compared to majority populations. In large part, this is because most continental European countries do not collect ethno-racial statistics. This renders the measurement of racial inequality more difficult. France, touting republican and secular values, epitomizes this approach, often characterized as the "color-blind" approach (Simon, 2008). Does the color-blind approach obscure a significant dimension of inequality in France today?

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 estimates of racial inequality, documenting the gap in different parts of the earnings distribution over time. To do so, we use administrative fiscal data matched to the French Labor Force Survey and exploit information on parents' nationality at birth to categorize the French population into different origin groups based on ancestry.² We first compare Non-White minorities to the White population (the French-born without migration history and Europeans, including migrants) to capture the overall ethno-racial disparity in France. We then disaggregate the Non-White group into more fine-grained groups (Middle-Eastern and North African, Sub-Saharan African³ – Black – South-East Asian, and Overseas departments) to explore differences across groups.

We implement quantile regressions and quantify ethno-racial gaps at the median and the 90th percentile of the earnings distribution over time. Following the approach of Bayer and Charles (2018), we analyze not only earnings gaps but also rank gaps, which represent the positional loss on the social ladder associated with lower earnings. These two measures are closely related but capture distinct concepts: real earnings gaps directly reflect disparities in living standards, whereas positional gaps are more insightful for understanding the racial structure of society. Another key advantage of this method is that it enables us to account for differences in labor market participation, which is typically a crucial factor in explaining racial disparities in total earnings.

¹See Simon (2017) for a more in-depth discussion of the reasons behind this choice in France and Balestra and Fleischer (2018) for a precise list of the type of information collected by each OECD country in 2018.

²Govind and Santini (2024) use information on parents' and grandparents' places of birth and 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.

³Technically, Egypt is also part of this group; however, it represents a very small minority within this group according to the TeO survey, which reports more fine-grained country of origin.

Our analysis documents the existence of substantial ethno-racial economic 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 reduces the observed penalties but does not fully close the gap, which remains substantial. However, not all ethnic groups experience the same penalties, even among visible minorities. On the one hand, White Europeans, and to some extent South-East Asians (SE Asians), are almost indistinguishable from White French individuals. On the other hand, people from Middle-East and North Africa (MENA) and Sub-Saharan Africa (SSA) report significantly lower earnings in all parts of the distribution. This implies significant positional losses in the earnings rank, even when restricting to those born in France. People from the Overseas Departments (OD), who are the longest-standing Non-White French citizens (since the abolition of slavery in 1848), fall somewhere in between these groups: Although they remain on par with other White French people at the median, they lag behind at the top of the earnings ladder, unlike White Europeans and Asians.

Disaggregating estimated gaps by gender underscores the importance of an intersectional perspective. Gaps for women vs. men vary in magnitude and direction depending on the ethnic group and part of the distribution considered. Due to low levels of labor force participation among women from some ethnic groups, gaps for women at the median are much larger than for men. However, the pattern reverses at the top, where labor force attachment of women is higher, with Non-White men falling further behind than Non-White women.

In terms of the dynamics of ethno-racial disparities, we observe a deterioration in the relative earnings and ranks of Non-White minorities at the median since 2009, when the effects of the Great Recession were most pronounced in France. At the same time, however, we document consistent convergence between White and Non-White minorities at the 90th percentile: By the end of the period, the overall estimated rank penalty of Non-White is only around 5 ranks and nearly 0 for minorities born in the country. These differential effects along the distribution highlight the importance of going beyond the mean when analyzing ethno-racial disparities.

We investigate factors that might be driving our results, focusing on education, spatial sorting, and discrimination. We first re-estimate the gaps by education (high school and below or college and above), finding only limited support for the role of education, especially at the median and among men. This result is confirmed using a Shapley decomposition: Visible minorities tend to be less educated and, hence, accounting for education reduces the unexplained part of the earnings gaps. At the same time, they tend to live

in the most productive areas of the country, such that accounting for spatial sorting significantly widens the gaps. Because of these two contrasting forces, unconditional and conditional gaps are of similar magnitudes for most groups.⁴ We then provide indirect evidence suggesting that discrimination is likely to play a role, as the ethnic groups experiencing the largest earnings penalties in our analysis are also the ones reporting higher levels of discrimination, both in general and more specifically, at the workplace.

In the final part of the paper, we adapt the non-parametric decomposition proposed by (Bayer and Charles, 2018; Bayer et al., 2025), initially developed to study temporal changes, to the study of cross-country differences. In this exercise, we compare the relative earnings differences of minorities in France and the U.S., disentangling two underlying forces that shape these disparities: positional and distributional components. The positional component refers to the relative position of minorities within the earnings distribution. Discrimination, as well as differences in human capital, are reflected in this component. The distributional component, instead, refers to the overall shape of the earnings distribution, i.e., the degree of inequality. This component is race-neutral in the sense that it affects all individuals at the same point in the distribution equally. We find that lower overall inequality (the distributional component) in France leads to smaller racial gaps relative to the U.S. However, depending on the group, positional gaps can be even larger in France despite a nominally color-blind approach. Notably, redistribution in both countries reduces ethno-racial earnings gaps but does not alter their overall differences, leaving the cross-country comparison largely unchanged.

Our study contributes to the literature by providing the first evidence of ethno-racial inequality in France, encompassing different inequality measures over a 20-year period. Research on this dimension of inequality in France is sparse relative to the U.S. (see Bayer et al. (2025) for an overview). Most of the previous literature has investigated discrimination of minorities in the French labor market using correspondence studies (see L'Horty and Petit (2023) for a partial review and Arnoult et al. (2022) for a large-scale example of discrimination against individuals of North African origin). These works unanimously find substantial discrimination against minorities in callback rates, placing France among the countries with the highest levels of discrimination in international comparisons (Quillian et al., 2019). However, in addition to the limitations of correspondence studies (Cahuc et al., 2019; Lahey and Beasley, 2018), these studies fail to capture the overall socioeconomic differences among ethnic groups.

⁴SE Asians and people from the OD are an exception as, especially in relative terms, they fare considerably worse in conditional analyses due to their similar or higher education levels and strong positive geographic sorting.

⁵Additionally, a number of papers examine racial inequality in Latin America – see, e.g., Gerard et al. (2021), Derenoncourt et al. (2024), and Woo-Mora (forthcoming).

A complementary strand of research has relied on the few existing surveys to examine the situation of first- and second-generation migrants. Most analyses have focused on their labor market participation or educational attainment (Meurs et al., 2006; Meurs and Pailhé, 2008; Beauchemin et al., 2022), with few studies also focusing on compensation (Aeberhardt et al., 2010; Algan et al., 2010). All these papers document labor market penalties for non-European immigrants, especially in terms of employment probabilities. Nevertheless, these studies do not consider the broader issue of racial inequality in the French case, which, due to France's history of slavery and colonization, extends beyond immigrant groups. Notably, the work of Govind and Santini (2024) has used a novel way to identify ethno-racial origin groups in France, documenting large skin tone penalties.

We add to this body of research in several dimensions. First, we depart from the migration approach, studying all ethno-racial minorities irrespective of their migration status. In doing so, we distinguish between racialized and non-racialized populations, for instance, classifying Europeans as White and individuals from the Overseas Departments as Non-White. In particular, by studying gaps between individuals from the Overseas Departments, who are French citizens, and White French individuals, we supply evidence of racial disparities independent of both first- and second-generation migration status. We also contribute to a growing number of studies using quantile regression to analyze and decompose racial inequality along different parts of the earnings distribution. This literature has focused primarily on the U.S. (Bayer and Charles, 2018; Althoff, 2023; Bayer et al., 2025). We apply these techniques in France, a country with a long colonial history and a diverse population that nevertheless champions a color-blind approach to the issue of race. This allows us to go beyond mean differences between ethno-racial groups, capturing distributional heterogeneity and including both non-earners and the employed. We do so over a 20-year period covering most of the 21st century. This enables us to assess, for the first time in France, the temporal evolution of the ethno-racial gaps in a coherent and comparable framework. Third, in addition to log earnings gaps, we present results on the positional ranks that minorities hold in the earnings distribution, incorporating an ordinal, stratification dimension to the cardinal analysis of earnings gaps in France (Darity, 2022).

Finally, we develop a simulation exercise that allows us to make a cross-country comparison of racial gaps in France vs. the U.S., two countries with markedly different historical attitudes towards minorities as well as large differences in overall inequality. Our methodology, which adapts cross-time comparisons to study cross-country differences, takes into account currency differences and can be extended to other cross-country comparisons. We thus contribute to the growing literature using cross-country comparative analyses to

gain new perspectives on countries' effectiveness in economically integrating minorities (see e.g. Boustan, Jensen et al. (2025) for cross-country patterns of intergenerational mobility among migrants).

The rest of the paper is organized as follows: in Section 2, we present the data and identification of distinct racial and ethnic groups in France. Section 3 describes the quantile regression methodology used in the analysis. In section 4, we present descriptive evidence on the underrepresentation of Non-White individuals at the top of the distribution and their overrepresentation at the bottom. In Section 5, we present the main earnings level and rank gaps. We explore mechanisms behind these gaps, including the role of education and place, in Section 6. Section 7 presents our simulation exercise comparing racial inequality in France vs. the U.S., decomposing the differences into distributional and positional forces. Section 8 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 2006 to 2020.⁶ This dataset links the French Labor Force Survey with fiscal incomes 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 annual earnings at the individual level, calculated as the sum of labor and business 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 54, for whom we have information on both parents' origins, results in yearly sample sizes that range between 30,000 and 50,000.⁷

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 of her/his parents (France, Europe, MENA, SSA, OD, SE Asia, Others). Similar to Algan et al. (2010), we exclude individuals who are either of mixed origin or for whom we do not have information on the nationality of both parents. We instead retain the "Other" category in our Non-White analysis, though we refrain from

⁶Although the 2005 wave also has information on parents' place of birth and nationality at birth, we exclude it due to its high rate of missing values (40%).

⁷Our main estimations focus on the full sample (referred to as "All population"). In the Appendix, we provide estimates based on a restricted sample that excludes individuals with non-positive earnings (referred to as "Positive earnings").

⁸We discuss the implication of relying on parents' nationality at birth rather than parents' country of birth to categorize minorities in Appendix 9.1.

reporting it separately due to the heterogeneity of countries of origin it comprises and their evolution over time.⁹

Within the main sample, we define individuals with two parents of French or other European birth nationality as "White", and individuals with two parents of non-European birth nationality or born in the Overseas departments as "Non-White." 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. 11 While these aggregations might combine together very different populations, our analysis is in line with the French public discourse, which often fails to distinguish between exact origins within MENA or SSA individuals, and instead refers to them as Muslim (or "Arab") and Black, respectively (Fredette, 2014; Keaton et al., 2020; Beaman, 2021). Furthermore, 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; SSA primarily includes people from West Africa; and SE Asia mainly consists of individuals from former French Indochina – Vietnam, Laos, and Cambodia. Therefore, these sub-groups are more homogeneous than the broader regions they represent.

To what extent do the countries of origin overlap with ethno-racial categories? In a small sample of employees and students of Parisian universities, one of the rare cases where ethno-racial information was collected in France, more than 95% of individuals of European or French origins chose the category "White", while Sub-Saharan Africans and Caribbeans overwhelmingly chose the category "Black" (Simon and Clément, 2006). More generally, Simon and Clément (2006) document that the ethno-racial category aligns well with the country of birth of one's ancestors. Govind and Santini (2024) document similar findings using a proxy for skin color.

We complement the main ERFS survey with two additional sources that allow us to further extend the analysis period to cover most of the 21st-century: the Training and Vocational Skill Survey (*Enquête Formation et Qualification Professionnelle*, FQP) for the years 2003 and 2014, and the ERFS 2021-2022. For the FQP, the income definitions, as well as the main individuals' characteristics (including parents' nationality at birth),

⁹In the case of the Overseas departments of France (OD), we assign individuals to that group only if both parents are born in the OD.

¹⁰Govind and Santini (2024) validate this categorization based on self-reported discrimination measures related to skin-color or possible experience of racism.

¹¹Note that this is the same classification of MENA as was recently adopted by the U.S. Census.

are recorded in the same way as in the ERFS, allowing for full comparability. However, this survey has smaller coverage and sparser data collection. The main advantages of including it are that it allows us to extend our coverage by three years and also provides a credible check of the consistency of the estimates produced with the ERFS in 2014. Due to sample size limitations, when we use FQP, we cannot disentangle between ethnic subgroups and thus only report comparisons between the White and Non-White population. The ERFS for 2021 and 2022, instead, record parents' nationality in a less detailed way, reporting only if the parent was French or foreign. We complement this information with the place of birth of parents to classify them as White or Non-White. However, we refrain from grouping individuals at a finer level as further disentangling would increase the risk of measurement error.

In the mechanisms section, we use the Trajectories and Origin (TeO) 2019 survey, which is a nationally representative survey focused on migrants. It 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. TeO contains information on individuals' origins back to three generations. It also collects a large amount of information about the experience of racism and discrimination through self-reported responses, which we exploit in the analysis.

Finally, for our U.S. comparison, we use the American Community Survey (ACS) from 2006-2020, as used in prior literature (Bayer and Charles, 2018; Bayer et al., 2025). For the household level analysis, we use the Annual Social and Economic Supplement (ASEC) of the Current Population Survey (CPS) in combination with the NBER's TAXSIM tool. The ASEC CPS is particularly well-suited for this purpose, as it provides more detailed information on various forms of capital income and post-tax benefits. This information allows us to construct reliable household-level measures of post-tax and transfer income at the household level in line with the approach of Hoynes and Patel (2018); Hardy et al. (2024).

3 Methodology

For the main analysis, we estimate quantile regressions for two measures of inequality at different parts of the earnings distribution: the 50^{th} and 90^{th} percentiles. 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, as they provide a clear interpretation and a concrete quantification of

¹²For details on the sampling procedure and the degree of over-representation of minorities, please refer to Beauchemin et al. (2023)

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 differences and positional penalties for ethno-racial groups. Moreover, two societies may have similar ethno-racial rank gaps but significantly different log earnings differences, depending on the magnitude of earnings disparities across percentiles, i.e., depending on the level of inequality. The two measures are therefore related but not identical. We estimate the earnings gap using the following equation:

$$log(E_{it}) = \alpha_t + \beta_t * group_i + \epsilon_{it}$$
(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 log points gap between the majority and minority groups at given percentiles. Importantly, in the main specifications, we always include zero earners. This allows us to account for differences in employment rates across groups. Given the relatively greater importance of non-employment among minorities, including zero earners in the analysis, provides a more comprehensive evaluation of inequality. To include them, we add 1 to everyone's earnings, de facto replacing zeros with ones. Unlike with OLS estimators, this addition does not significantly affect our results when estimating quantile regressions. For completeness, we also report the results computed for positive earners only.

The estimation of the rank gap is based on the following model:

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

In this case, the dependent variable $rank(E_{it})$ is the percentile rank of an individual's earnings within the overall (or the majority) earnings distribution. This means that α_t is the average rank of the majority group. Note that, when ranks are computed with respect to the majority's earnings distribution, α_t becomes an identity function with the chosen percentile (50 or 90 in our case) in the quantile regression. In both cases, β_t measures the rank gap of the minority group, in other words, where would an individual at the 50th or 90th percentile in her/his own group's earnings distribution be 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 is true for a positive coefficient.

The additional advantage of using quantile regressions is that the log earnings and rank earnings gaps can be computed controlling for individual characteristics. In this analysis, we mainly condition on the individuals' age, grouped in six categories. Differences in fertility and a higher share of young adults among migrants result in a distinct age distribution for minority groups compared to the majority population, even among prime-age workers (25-54).

In the last part of the paper, we adapt the non-parametric decomposition introduced by Bayer and Charles (2018); Bayer et al. (2025) to be used between countries (instead of across time). The goal of the decomposition is to understand which forces make a minority relatively better off in one country compared to another. In particular, our aim is to distinguish between the role of overall inequality (distributional component) and relative position (positional component) in the determination of ethno-racial earnings gaps in France and the U.S.

For country i, let $f_i^a(q)$ be a function that maps the percentile rank q of group a (majority group) into its earnings distribution. Define $q_i^a(q)$ as a function that maps the percentile rank of group b (minority group) into the group a's rank. Given these two functions, $f_i^a(q_i^a(q))$ maps group b's rank q into group a's earnings distribution. We can thus define the earnings gap between groups a and b at rank q in country i as:

$$f_i^a(q_i^a(q)) - f_i^a(q) \tag{3}$$

We can compute the same earnings gap in country j by replacing the subscript i with j in function f. To compute the difference in the earnings gaps in the two countries, it suffices to take the difference between these two terms, provided that all values have been converted to the same currency:

$$(f_i^a(q_i^a(q)) - f_i^a(q)) - (f_i^a(q_i^a(q)) - f_i^a(q))$$
(4)

In order to distinguish between distributional and positional forces in explaining the differences between the two countries, we can add and subtract $f_i^a(q_j^a(q))$ (that is, the mapping into the earnings distribution in country i that would result from using the minority-to-majority rank conversion of country j) from equation (4). Re-arranging the terms, we obtain the following equation:

$$[(f_i^a(q_j^a(q) - f_j^a(q_j^a(q)) - (f_i^a(q) - f_j^a(q))] + [f_i^a(q_i^a(q)) - f_i^a(q_j^a(q))]$$
(5)

The first bracketed expression identifies the distributional component; in other words, the inequality difference between the two countries. It measures the extent to which the same percentiles map differently in the earnings distributions of the two countries. The second bracketed term, instead, measures the positional difference that minorities hold in the two countries. Here, the difference is driven by the mapping of the rank of minorities into the rank of majorities.

To calculate the distributional component of the change in the earnings gap, it suffices to conduct a counterfactual simulation measuring the extent to which the gap at quantile q in country i (France) would change if members of groups a (White) and b (Non-White) maintained their positions in the overall earnings distribution, but the earnings associated with each point in that distribution were updated to reflect the earnings distribution of country j (the U.S.). Concretely, we convert the U.S. compensations in 2019 PPP constant euros and calculate new earnings gaps for French minorities based on the earnings distribution of the U.S. We then compute the positional gap as the residual component.

4 Descriptive Statistics

Table 1 presents descriptive statistics for our main sample. As we restrict our analysis to prime-age workers between 25 and 54 years of age, the average age is around 40, with Non-White minorities being slightly younger (approximately 38.5) and Europeans slightly older (41.5). 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. Concerning education, only SE Asians and "Others" have a higher share of college graduates than those of French origin. Finally, with respect to the labor market, individuals of French and European descent exhibit significantly higher employment rates, labor earnings, and overall income relative to other ethnic groups. Notably, the higher levels of unemployment rates among minorities have remained remarkably stable over our period of analysis (see Appendix Figure 10). These individual-level labor market differences carry over to total household income, but their impact is partly offset by state intervention.

To gain additional insights into the labor market situation of minorities, Figure 1 further decomposes 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 almost twice that of men of the same origin. Interestingly, we observe some convergence for minority women born in France to the participation levels of women of French origin. The convergence for men is much smaller, and in some cases (MENA, SSA, and SE Asia), the gap even widens. It is worth noting that individuals from MENA and SSA origin fare worse in particular and converge the least to the French-origin employment rates, despite being the second (7.8%) and fourth (2.4%) largest ethnic groups, respectively, in the population.

 $^{^{13}}$ 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 32% of the individuals of MENA.

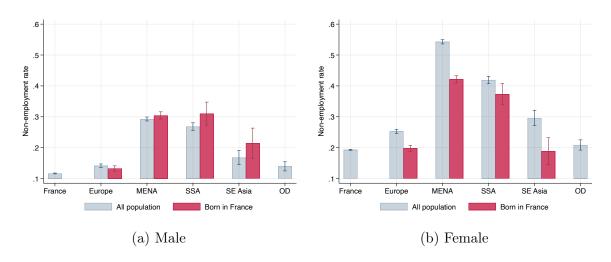
Table 1: Descriptive Statistics

	All (1)	Sample (2)	French (3)	Europe (4)	MENA (5)	SSA (6)	SE Asia (7)	OD (8)	Others (9)
Demographic characteristi									
Age	39,9	40,0	40,1	41,5	38,6	38,3	39,1	38,9	38,5
Male	0,49	0,49	0,49	0,47	0,49	0,45	0,44	0,48	0,38
No. of children <18y	0,57	0,57	0,53	0,51	0,92	0,90	0,62	0,61	0,72
Married	0,47	0,48	0,45	0,57	0,68	0,46	0,57	0,30	0,65
College Graduate	0,36	0,37	0,38	0,31	0,27	0,29	0,39	0,29	0,44
Born in France	0,86	0,86	0,98	0,39	0,32	0,13	0,25	0,98	0,05
Mixed Origins	0,06								
Labor market situation									
Employment rate	0,81	0,81	0,84	0,80	0,58	0,65	0,76	0,82	0,65
Unemployment rate	0,07	0,07	0,06	0,07	0,15	0,15	0,08	0,09	0,09
Inactive	0,12	0,12	0,10	0,13	0,27	0,20	0,16	0,09	0,26
Labor income	19749	19877	20966	19533	12050	12968	17821	19617	13374
Earnings	21240	21399	22631	20967	12667	13466	20215	19906	14158
Total income	22239	22382	23589	21901	13899	14682	21237	20870	14963
Non-positive total income	0,10	0,10	0,08	0,12	$0,\!25$	0,16	0,13	0,06	$0,\!25$
Household market income	41709	41909	43863	43220	27791	26512	43449	34664	31887
Household disposable income	42196	42340	43619	43192	33371	32014	44529	36233	35327
Observations	597668	547211	452322	30485	40233	11746	2326	4419	5680
Share of population		100%	81,4%	5,8%	7,8%	$2,\!4\%$	0,5%	0,9%	$1,\!2\%$
Household-level									
Observations	383468	351166	289893	19858	26047	7850	1348	3293	2877
Share of households		100%	$81,\!4\%$	$5,\!8\%$	7,8%	$2,\!5\%$	$0,\!4\%$	$1,\!1\%$	1,0%

Notes: This table reports descriptive statistics for all individuals in the prime working age group (25 - 54 years old) in the pooled ERFS 2006 - 2020, 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 (2%) and individuals who are of mixed origins (6%). 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 shares in the population are weighted averages. Data: ERFS 2006-2020.

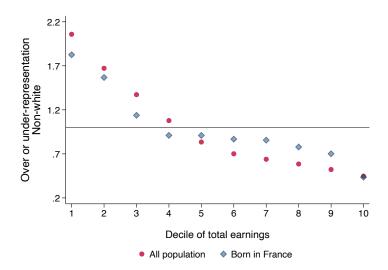
As a last piece of descriptive evidence before moving to quantile regressions, it is useful to have a broader picture of ethno-racial inequalities in the whole earnings distribution. We present two complementary figures to show how Non-White individuals fare worse than the White population in France. 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 correspondence between the overall Non-White population share and its share in a specific decile. A random assignment of individuals to deciles would generate a uniform representation of the Non-White population (and other categories) across the distribution, reflected by a 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, with values ranging between 2.1 and 1.7 in the first two deciles, and severely under-represented at the top, with values between 0.5 and 0.4 in the last two deciles. This remains true even when restricting the sample to individuals born in France (blue diamonds) for which the slope

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



Notes: The figures report the non-employment rate by origin group, gender, and place of birth. Data: ERFS 2006-2020.

Figure 2: Over/under-representation by earnings deciles



Notes: The figure shows the extent to which Non-White individuals are over/under-represented in each decile of total earnings. Sample: Working-age population (25 - 54 years old). Non-White individuals are individuals with two non-European foreign-born parents of the same origins as described in Section 2, and they represent 13% of the total population. Data: ERFS 2006-2020.

of the curve is only mildly tilted upward (meaning more equality), or when restricting to individuals with positive earnings (Appendix Figure 11).

Figure 3 further examines the White/Non-White divide, plotting the cumulative earnings distributions of the respective groups for the whole population and among those born in France. The Non-White distribution stochastically dominates the White distribution, implying that Non-White individuals are poorer than White ones at any given percentile

(y-axis). This is mainly driven by the higher share of non-employment among Non-White individuals, but the pattern remains true at the very top of the distribution. Once again, among people born in France, this relationship is attenuated but continues to hold. We further explore these patterns using quantile regressions in the next section.

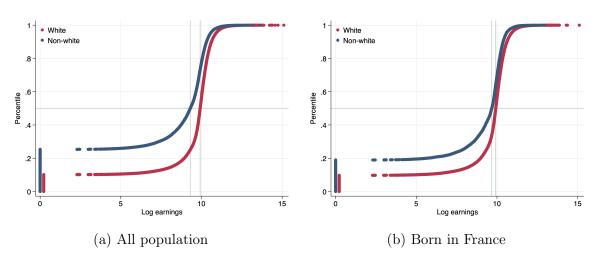


Figure 3: Log earnings distribution

Notes: The figures show the log earnings distribution for the working-age population (25 - 54 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. Data: ERFS 2006-2020.

5 Results

Turning to our main analysis, Figure 4 reports the results for quantile regressions on earnings (panel a) and ranks (panel b), at the median and 90th percentiles for the whole population and for those born in France. Several patterns emerge from this figure: i) Non-White individuals earn 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 particularly large in earnings at the median when including foreign-born individuals, standing at around 60 log points and 25 rank gaps. 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. However, these gaps cannot be solely explained by labor market participation, as the gaps remain consequential, especially in terms of rank penalties, even when excluding zero earners, as shown in Figure 12.¹⁴ Being born in the country does affect the position of minorities in society, especially at the median, where

¹⁴Log points gaps mechanically shrink, on average, to 25 and 20 (from 60 and 25) respectively at the median and 90th percentiles. The rank penalty instead remains similar when excluding zero earners,

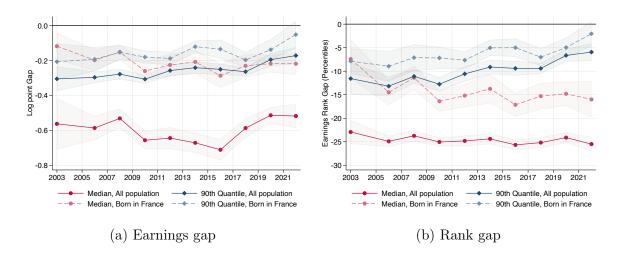
earning gaps are reduced to little more than 20 log points and rank gaps stand at 15 rank points. Although reduced, the gaps do not close entirely, leaving room for other types of explanations, which we explore in Section 6.

A fourth important finding is that all gaps evolved over our time frame, closing or widening depending on the part of the distribution considered. The first notable changes start to be visible from the 2009-2010 biennial point, when we observe a significant drop (increase) in the earnings and position of minorities at the median (90th percentile) with respect to the majority French population. For minorities born in France, the earnings penalty increased by slightly less than 7 log points, translating to a 5-rank-point loss. Given its timing, this change is likely to be driven by an unequal impact of the Great Recession and the Euro debt crisis on minority groups, as it has been shown for the U.S. (Hoynes et al., 2012; Bayer and Charles, 2018). Looking at non-employment trends, indeed, we observe a small increase in non-employment for MENA and SSA origin people around 2009 (see Figure 10). However, the drop at the median is almost mirrored, as of 2011-2012, by an improvement in the position of minorities at the 90th percentile. Between 2003 and 2021-2022, the earnings gap closed by 12 log points for all minorities alike (born in France or not). This translates into a gain of approximately 5 rank points, which brings the minority population (born in France) from -11 (-7) to -6 (-2) ranks. These patterns are further confirmed looking at the evolution over time of measures of over/under representation at the top and bottom quartiles (Figure 13). Over-representation of minorities at the bottom 20 has increased from around 1.6 to 1.8, while under-representation at the top has decreased from 0.4 to 0.7. Since overall inequality has remained largely stable over this period (Garbinti et al., 2018; Bozio et al., 2023), the observed patterns indicate increased inequality within the Non-White group.

Intersectionality, in this case, the interplay between gender and ethno-racial minority status, has long been recognized as a key factor shaping individuals' labor market experiences. Indeed, by dividing our population by gender, as in Figure 5, we find important differences between men and women. Men earn, on average, 35 log points less than their White counterparts at the median and 24.5 log points at the 90th percentile. Being born in France narrows down both gaps to approximately 20 log points. 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 35 log points translate to approximately 24 lower rank points that are further reduced to 16.6 for people born in France. At the 90th percentile, a 20 log points gap implies a loss of around 9 rank points. These average gaps mask important changes over time, especially evident

standing at 20 rank points instead of 25 at the median and 6 rank points instead of around 10 at the 90th percentile.

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



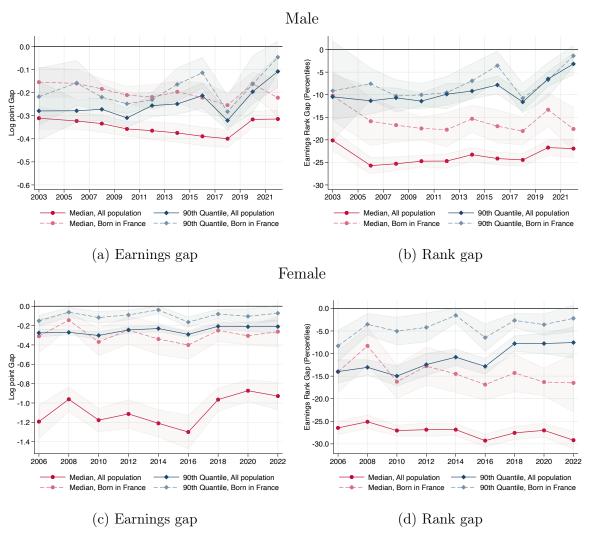
Notes: Panel (a) reports the estimation of β from equation 1. It shows the trend in the log point gap between White and Non-White at the median and the 90th quantile. Panel (b) reports the estimation of β from equation 2. It shows the evolution of the earnings rank gap (measured in percentiles) between White and Non-White at the median and the 90th quantile. Data for 2003 is estimated with the Formation et Qualification Professionnelle (FQP) dataset, and 2006 - 2022 is estimated with the Enquête Revenus Fiscaux et Sociaux (ERFS) data. Sample: Working-age population (25 - 54 years old).

when including the foreign-born population. Non-White men at the median experienced a steady increase in their log earnings gap until 2019-2020, when the 9 log-point loss they had accumulated was reversed. At the 90th percentile, instead, the upward trend underlined before starts to be visible from 2011-2012.

For women as well, earnings gaps are substantially larger at the median than at the 90th percentile. Migration status has a much larger influence in this case, especially at the bottom, than for men. This is not a surprise given the extremely low labor force participation rate of women of certain ethnic groups, namely MENA and SSA origin, especially among foreign-born (see again Figure 1). In terms of magnitudes, Non-White women at the median earn around 108 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 29 log points and around 14.5 rank points. Interestingly, Non-White women born in France are similar, if not closer to White women at the 90th percentile than men are to their White counterparts. In terms of rank evolution, women exhibit similar but more pronounced trends than men. Since 2003, they have lost 5 rank points at the median (7 when born in France). At the 90th percentile, however, they have gained 6 rank points as their position passed from being -15 (-8) rank points behind to -7.5 (-2) for the whole population (people born in France).

The earnings gaps between the White majority and the Non-White minority documented

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



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. The estimates for 2003 are excluded for women due to sample size limitations. Data for 2003 is estimated with the Formation et Qualification Professionnelle (FQP) dataset, and 2006 - 2020 is estimated with the Enquête Revenus Fiscaux et Sociaux (ERFS) data. Sample: Working-age population (25 - 54 years old). Data: ERFS 2006 - 2022.

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. Indeed, for the U.K., Mirza and Warwick (2024) find that even seemingly similar groups such as Indians, Bangladeshi, and Pakistani perform remarkably differently in the British labor market. In a similar fashion, Bayer et al. (2025) documents substantial differences in the relative position of different minorities in the U.S., with some minorities, such as Asians, performing even better than Whites. Neglecting these differences might undermine the effort to reduce inequality, as all groups might not be equally penalized or benefit from the same types of interventions. To better uncover these patterns, we fur-

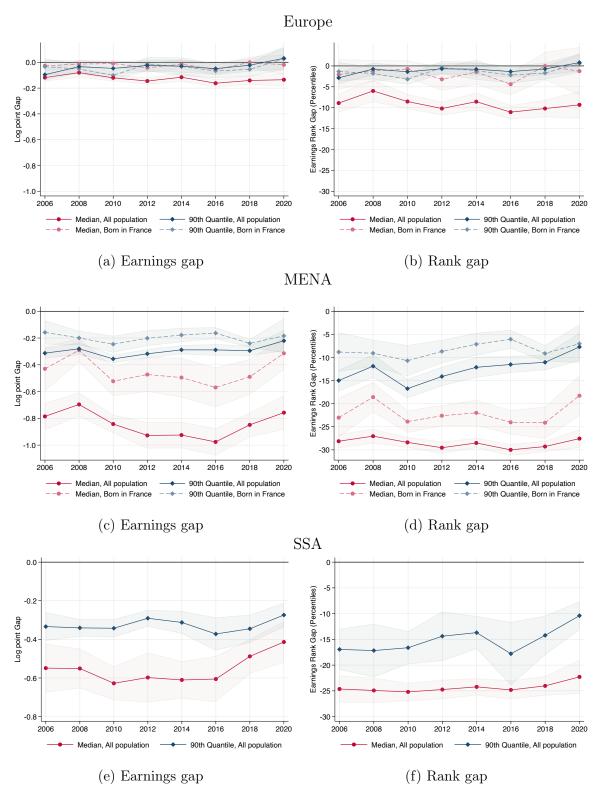
ther disentangle our analysis by comparing the main ethno-racial groups with the French majority population. Note that in this exercise, Europeans are also separated from the White majority group. This allows us to see how a White population with a migration history fares in France compared to Non-White minorities. Figure 6 reports these results disaggregated by region of origin: Europe, MENA, SSA, SE Asia, and the French Overseas Departments (OD). As before, we not only disentangle between the median and 90th percentile, but also, whenever possible, between the whole population and individuals born in France. Since the overseas departments are part of France, this distinction does not apply to individuals originating from these regions. We uncover a complex pattern with substantial heterogeneity across groups, even among the Non-White groups, highlighting the importance of a more disaggregated analysis.

Starting with Europeans, the only noticeable difference with the "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 or SSA origin are subject to a completely different trajectory. Their earning penalties are quite large at the median (at around -84 and -55 log points, respectively) and also remain consequential at the 90th percentile (approximately 29 and 33 log points, respectively). Being born in the country improves the overall position of these minorities as well, mainly through a higher labor market participation, especially for women. ¹⁵ Yet, gaps remain visible and quite large, especially for the population with MENA origin (45 and 19.5 log points at the median and 90th percentile, respectively). Due to small sample sizes, the patterns for the SSA origin population born in France are quite noisy and have large standard errors. This is why in Figures 14 and 15, we present results for all years pooled together. In these Figures, we observe that gaps are reduced, especially at the top (for example, for this group, the rank gaps are -17 rank points at the median and only -6 rank points at the 90th percentile). Over our period, a U-shaped trend can be discerned at the median for both groups, alongside a gradual narrowing of the gaps at the 90th percentile.

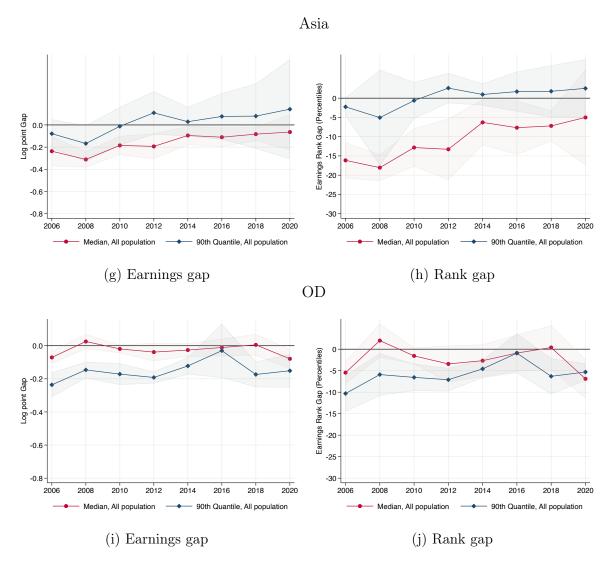
People of Asian origin are a Non-White minority group that fares as well as, if not better than, the White population. This is particularly evident at the top of the distribution, but it is also true at the median in recent years. This is confirmed when aggregating all years together to gain statistical power, as shown in Figure 15. The aggregation confirms that the Asian origin population born in France is significantly better off (5 rank points)

¹⁵This can be discerned from Figure 1.

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



than the majority population at the top of the distribution. The aggregation, however, conceals the stark improvement that occurred at the median between 2006 and 2020. Although noisy, we can conclude from our analysis that even first-generation Asian mi-



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 - 54 years old). Data: ERFS 2006 - 2020.

grants 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 of this group, irrespective of their country of birth. As for other groups, these results are similar to, but slightly less pronounced than, the available evidence for the U.S. (Bayer et al., 2025). Obviously, at this stage, we cannot rule out discrimination against this population, as our analysis is inherently descriptive. It is, in fact, possible that, given the high human capital of this population or its concentration in the most productive areas of the country, in the absence of discrimination, we would have observed even larger premiums. Still, this analysis reveals that Asian-origin individuals do not lag behind their White counterparts in the French context.

The final group we single out comprises individuals who are French since 1848, 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 OD 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 from the 18th to the early 20th century. For this reason, they are the oldest Non-White minority in the country. Because of this group's particular history and secular attachment to France, individuals from the OD culturally identify as French, be it in terms of names as well as religion (Govind and Santini, 2024). Furthermore, they are French citizens and educated in the French educational system. Possibly related to these factors, at the median, we estimate an almost precise zero gap. At the 90th percentile, however, we observe a quite steady gap of 15 log points. This corresponds to a gap of roughly 6 rank points, which is smaller but very close to the one observed for both MENA and SSA origin people born in France. Thus, despite being French for more than three generations, people from the OD are not yet equally represented at the top of the earnings distribution in Metropolitan France. Two important caveats apply to this analysis: As before, small gaps do not necessarily imply no discrimination, as Govind and Santini (2024) documented a significant penalty for OD origin individuals in a regression framework that includes a wide range of controls. Second, due to data limitations, our analysis only covers the Metropolitan part of France and excludes the ODs. Given their lower economic development and high unemployment rates (Govind, 2025), if we were to incorporates these departments in the analysis the position of this population would certainly deteriorate. Nonetheless, we document that in Metropolitan France the position of people from the OD is substantially better than that of other minorities.

We then decompose by gender for the main minority groups (Europe, MENA, and SSA) in Table 5. For Europeans, the only noticeable difference exists for women born abroad at the median. A very different picture emerges for individuals of MENA origin: here, both men and women experience large penalties with respect to their French counterparts at the median. Being born and raised in the country only moderately improves the overall condition of this group, implying stagnating intergenerational mobility (Sirigue, 2025). Somewhat surprisingly, women born in the country at the 90th percentile experience substantially lower gaps, potentially driven by a general glass ceiling effect: barriers faced by all women that prevent them from exceeding certain income thresholds, resulting in lower gaps between women from different ethno-racial groups. For SSA, the patterns are very similar but less pronounced than for MENA. Interestingly, the rank gaps for African-origin men at the median are comparable in magnitude to those experienced

 $^{^{16}}$ The share in non-employment is so large when including women born abroad, that we are unable to compute the median earnings and rank gaps.

by the Black American population. At the 90th percentile, instead, French Black men hold a substantially better position than African-American men, especially if born in the country (-8.9 vs -17) (Bayer et al., 2025). For women, the opposite is true. The relative better performance of Black American women, however, is strongly driven by a lower participation rate of White American women. Indeed, their position has experienced a downward trend as more White women have entered the labor market (Bayer et al., 2025). Overall, the heterogeneity by gender underlines the importance of an intersectional lens when measuring inequality.

6 Mechanisms: human capital, sorting, or discrimination?

What explains the earnings and positional differences documented above? As already mentioned, several things might be driving our results. Differences in human capital and spatial sorting are among the most plausible candidates for explaining some of the reported patterns. This is, for instance, the case when comparing the French vs. the foreign-born. In addition to language barriers, the foreign-born population may have lower educational levels - or education that is mismatched with the French labor market - compared to French-origin workers. At the same time, they might be more mobile and choose their residence based on employment opportunities (Abramitzky et al., 2021). The fact that all gaps are at least partially closed when restricting the analysis to individuals born in France suggests that these types of explanations are important. These explanations are, however, less compelling in explaining ethno-racial penalties between individuals born in France, given the occurrence of educational convergence (Beauchemin et al., 2022). Yet, we document earnings penalties between White and Non-White French-born individuals too.

To hint at the role of education, we first re-run our main analysis dividing the sample into individuals with at most a high-school diploma and individuals with at least a bachelor's degree, distinguishing again between the full population and the one born in France, as well as by gender. We present these results in Table 2.

As shown in the table, even when comparing individuals with similar educational attainments, earnings and rank gaps remain consequential. For men at the median with at most a high school degree, the improvement is marginal compared to the pooled case. The improvement is slightly larger for people with a college degree, which is not surprising given the expected explanatory effect of education on wages. In this case, rank gaps are reduced

¹⁷With the exception of women born in the country at the 90th percentile, for which gaps are very similar.

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

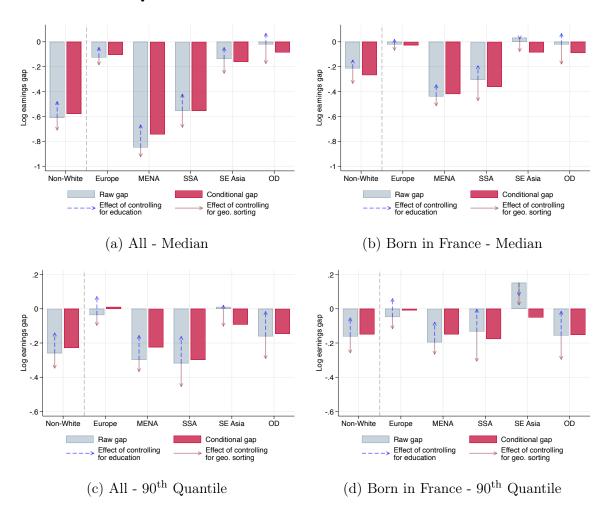
	Log points gap					Earnings Rank gap				
	M	edian	90th Quantile			Median		90th Quantile		
	All Pop.	Born in France	All Pop.	Born in France		All Pop.	Born in France	All Pop.	Born in France	
$\frac{\text{High-school and below}}{\text{Male}}$ Female	-0,35 -1,38	-0,18 -0,40	-0,20 -0,18	-0,11 -0,01 [†]		-23,3 -23,9	-15,5 -11,7	-10,9 -10,9	-5,5 -0,6 [†]	
College graduate Male Female	-0,35 -0,49	-0,15 -0,11	-0,14 -0,09	-0,11 -0,04		-24,4 -26,4	-12,9 -9,9	-5,5 -3,5	-5,0 -1,5	

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 education level (up to high-school, and above high-school). All coefficients, except those marked with \dagger , are statistically significant at a 95% confidence level. Sample: Working-age population (25 - 54 years old). Data: ERFS 2006-2020.

by a third compared to the pooled case, both in the full sample (from 9 to 5.5) and when restricting to men born in France (from 7 to 5). For women at the median, especially for those born in France, the reductions are more sizable than for men, although significant gaps remain even within educational groups. At the very top of the distribution, instead, the gaps, already quite small, are close almost entirely (from around 11 to 3.5 rank points and from 5 rank points to 1.5 respectively for the full sample and those born in France). 18 To allow for more flexibility and to control for several possible explanatory factors at the same time, we perform a Shapley decomposition of the earnings gaps for the different ethno-racial groups as shown in Figure 7. We flexibly control for seven educational categories and twelve macro-regions (NUTS-1). The Shapley decomposition confirms the above-mentioned patterns for education: Education has an equalizing effect, plays a larger role – both in relative and absolute terms – at the top of the distribution, and is slightly less important for individuals born in France. Controlling for location sorting has the opposite effect, significantly widening the gaps. With the two opposing effects of including educational and location-based controls, the conditional gaps remain similar in size to the raw gaps. There are two notable exceptions: SE Asians, especially when born in France, are substantially worse off when controlling for education and location factors. This group is, in fact, as much, if not more educated (90th percentile, born in France) than the majority group and lives in more thriving economic areas. Thus, education does not reduce the gap and may even increase it, operating in the same direction as location sorting. To a lesser extent, and only at the median, OD origin individuals are also worse off when controlling for simple observable characteristics, in line with the results of Govind and Santini (2024).

¹⁸With the notable exception of women with at most a high school degree born abroad.

Figure 7: Shapley decomposition of earnings gap by group of origin and place of birth, Median and 90th Quantile



Notes: The figure reports the unconditional and conditional gaps estimated for each reported group against the majority French-origin population. The dashed blue line indicates the explanatory power of controlling for education, while the solid red line accounts for locations effects. The conditional gap is equal to the sum of the raw effect plus the education and location components. Data: ERFS 2006-2020.

While education and location are endogenous choices, accounting for them leaves large unexplained gaps. This implies that other factors must be at play, including labor market discrimination against ethno-racial minorities. Though it is hard to provide definitive evidence of discrimination, an extensive body of audit studies has shown that discrimination is undoubtedly present in the French labor market.¹⁹ In this analysis, we use information from the TeO survey to describe the 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

 $^{^{19}\}mathrm{See}$ Govind and Santini (2024) for a summary, and Quillian et al. (2019) for a cross-country comparison meta-analysis.

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 extent of workplace discrimination as a potential factor to explain differences in total earnings. In each graph of Figure 8, we present the gaps in reported discrimination for each minority group compared to the White French majority group, for the whole population, and for those born in the country separately.

Nationality/origin Gap in reported discrimination: Overall Gap in reported discrimination: Non-White Europe MENA SSA SE Asia OD Non-White Europe MENA SSA SE Asia OD All population Born in France All population Born in France (b) Discriminated based on nationality or (a) Overall discrimination origin Gap in reported discrimination: Workplace Gap in reported discrimination: Skin color

Figure 8: Reported discrimination by group of origin

(c) Discriminated based on skin color

SSA

SE Asia

Born in France

Non-White

(d) Discriminated at the workplace

MENA

All population

SSA

OD

Notes: The figures show the gaps in different dimensions of reported discrimination between each minority group and the White French-origin population. Data: TEO 2019.

Non-White

Figure 8a presents a clear picture: Overall, reported discrimination is higher for Non-White minorities compared to the White French population. Interestingly, reported discrimination increases for those born in France. Europeans are a notable exception, with indistinguishable differences from the majority group and a decreasing trend across generations. These two facts suggest that a greater sense of entitlement among the second generation may heighten perceptions of discrimination. At the same time, the patterns show that these perceptions are not mechanically tied to generational status alone, but

also interact with one's ethno-racial background. Focusing on reported sources of discrimination in Figures 8b and 8c, we observe that different groups report different types of (main) discrimination: individuals from MENA and Southeast Asian report substantially more discrimination based on nationality and origin than skin color. The opposite holds for those of SSA origin, and even more so for individuals from France's Overseas Departments.

Finally, examining the settings in which discrimination occurs reveals that streets and other public spaces are the most common location (not reported here). However, when it comes to earnings, the workplace is the most pertinent context. Figure 8d shows the share of individuals who report being discriminated against at the workplace. 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 greater discrimination at work. Although these self-reported outcomes suffer from several biases, notably saliency bias, which may lead respondents to report only the most prominent form of discrimination (Beauchemin et al., 2010; Primon and Simon, 2018), they nonetheless provide a coherent pattern that aligns with our results on earnings disparities and suggest that discrimination likely contributes to (part of) the observed gaps. Further work on ethnoracial discrimination in the workplace (beyond audit studies focused on the hiring stage) is needed to understand its contribution to ethnoracial inequality in France.

7 France-U.S. Comparison

How do racial gaps in France compare to those in the U.S., from where the bulk of the evidence on racial inequality is drawn? The two countries have had disparate historical trajectories and political and cultural approaches regarding race, potentially leading to different levels of racial inequality.

In France, collecting racial statistics is illegal, reflecting a colorblind approach made explicit with the abolition of ethno-racial categorization in the four old colonies following the 1848 abolition of slavery.²⁰ The elimination of racial statistics was motivated by the French Republican principle of equality of all men. This brand of French Republicanism persists strongly to the present day, where racial data collection continues to be illegal and an essential notion of French national identity predominates. As a consequence, explicit action by the state around racial inequities is limited to enforcement of

²⁰In the colonies that make up the present-day Overseas Departments, emancipation brought French nationality to the formerly enslaved, and the census immediately ceased using racial categorization in data collection, despite a highly diverse population and a White elite minority (Govind, 2025). Racial categories were, however, largely used in the other colonies, including, for example, Algeria.

anti-discrimination laws. The color-blind framework permeates French social movements as well, with class-based rather than ethno-racial identity-based politics dominating on the left (Noiriel, 1996). An important potential explanation for these differences is that slavery in the French empire was primarily limited to the colonies, with limited exposure to the enslaved population in metropolitan France.

The history of the U.S. followed a starkly different path. The Declaration of Independence did not abolish slavery, and several of the country's founding figures owned slaves themselves. Racial statistics were introduced as early as the first Census in 1790 and were used to distinguish between the White population, the enslaved, and other free people for the purpose of political apportionment among other ends (Schor, 2017). These racial categories were later altered and expanded to accommodate new conditions (the emancipated Black population, now enumerated in the population census rather than separate anonymous slave schedules) or new groups (e.g., Chinese, Japanese). Slavery was abolished only after the Civil War in 1865 by the 13th Amendment, but racial categories continued and were often wielded as tools of state repression of the newly freed Black population. The most famous example of this is the series of Jim Crow laws passed in the South to limit the economic, social, and political rights of Black Americans. Discriminatory use of racial categories continued until the Civil Rights era when racial statistics were used to enforce anti-discrimination laws and reparative policies, such as affirmative action. The active role of the state in shaping racial identity has a long history – from the census's role in the "one-drop rule" and the presence of a single "Black" category for individuals with any African ancestry – to the modern day introduction of new ethno-racial categories, such as MENA.

Are racial gaps in France, with its "color-blind" approach to data collection and policy, larger or smaller than those in the U.S., where racial categorization dates back to the country's founding and remains active to the present day?

To compare racial inequality in France vs. the U.S., we adapt the non-parametric decomposition method proposed by Bayer and Charles (2018); Bayer et al. (2025) to use it for a cross-country comparison (instead of a comparison over time).²¹ We start by comparing the situation of Non-White vs. White individuals in France and the U.S., followed by an examination of Black individuals in the two countries, where we define SSA-origin individuals in France as Black, following survey evidence on group identification (Simon and Clément, 2006).²² In both cases, we examine the difference in their log earnings

 $^{^{21}}$ See Section 3 for a description.

 $^{^{22}}$ We exclude Caribbean-origin individuals in this analysis as we lack data on the full population of the Overseas departments. We can thus only study how OD individuals fare in mainland France, but not make a cross-country comparison with the U.S. on this population.

gaps relative to the White majority group (including immigrants). We then decompose this difference into a distributional and a positional component. The distributional part reflects the role played by the overall earnings distribution in the two countries, while the positional part captures the relative position of minorities in their own societies and is thus tightly related to rank gaps. In our analysis, we take France as the reference country: a positive coefficient implies that ethno-racial gaps are smaller in France than in the U.S. while a negative coefficient has the opposite interpretation.

Table 3 reports the results of this exercise, comparing the earnings gaps of the Non-White (columns 1-2) or Black (columns 3-4) populations to the majority group in the two countries. To ease the understanding, we further report the raw gaps for all groups and countries studied in Appendix Table 6. Two main findings can be drawn from these sets of results. First, the overall lower factor income inequality, hence the distributional component, in France always operates to reduce the gap between ethno-racial groups compared to the U.S. Second, the role of positional inequality is more nuanced. When including foreign-born individuals, minorities at the median fare worse in France. However, among those born in the country, at the 90th percentile, French minorities outperform U.S. minorities. Overall, while French minorities often occupy worse social positions than in the U.S., they benefit from a more equal income distribution. When the positional loss is sizeable – such as at the median for the whole populations – the overall gap is decisively smaller in the U.S. When instead the positional component is small or positive (90th percentile born in the country), the distributional component dominates and French minorities are overall substantially better off. These results imply that, given the existing greater positional disadvantage of minorities in France at the median, increasing overall inequality (distributional component) may put France in a worse position than the U.S. vis-à-vis racial equality.

In Appendix Table 7, we further split the White vs. Non-White analysis by gender. Due to limited sample size, however, we cannot further distinguish by country of birth. We find that French minority men are positionally relatively similar to their American counterparts, such that the distributional force always dominates and makes them overall better off. French minority women, instead, are always substantially worse off positionally, resulting in an overall worse condition in France than in the U.S. We therefore conclude that to fully understand ethno-racial differences across countries, it is crucial to look at gender differences. However, as noted by Bayer et al. (2025); Althoff (2023), the position of minority women with respect to White women might not truly reflect the real earnings potential of the latter, who may choose not to work because their partners' income is sufficient for the household. This effect is particularly strong in the U.S., but might also operate in France. To better understand ethno-racial differences and compare across the

two countries, we extend the analysis to examine household incomes. Analyzing household income has the additional advantage that, in both countries, the household unit is the target of substantial redistribution (e.g., in the form of child support) and also constitutes the main tax unit in France. By applying the method used in this paper, we provide a novel way to study the role of redistribution in shaping ethno-racial disparities, comparing its impact across the two countries of interest. Our results support the interpretation that although redistributive policies are often designed to be universal, they may not be race-neutral in practice, as shown by Derenoncourt and Montialoux (2020); Derenoncourt et al. (2024) in the case of minimum wage policies.

Table 3: Earnings Level Gaps France vs. the U.S.

	White	White vs. Non-white		te vs. Black					
	All Pop.	Born in the country	All Pop.	Born in the country					
Panel A: Median Earnin	Panel A: Median Earnings Level Gap								
Total Change	-0.21	0.20	-0.13	0.08					
Distributional Component	0.19	0.25	0.22	0.26					
Positional Component	-0.40	-0.05	-0.35	-0.18					
Panel B: 90th Quintile	Earning	gs Level Gap							
Total Change	-0.02	0.17	0.05	0.20					
Distributional Component	0.04	0.07	0.07	0.11					
Positional Component	-0.06	0.10	-0.02	0.09					

Notes: The table reports the differences between the U.S. and France in the earnings gaps between non-Whites and Whites. It further decomposes those differences into a distributional and a positional components following equation 5. It does so for the median earnings gap in Panel (a) and the 90th quantile gap in Panel (b) for the working-age population (25 - 54 years old). Data: France, ERFS 2006-2020; U.S., ACS 2006-2020.

Table 4 reports these decomposition exercises at the household level for both the pre-tax and transfer (columns 1-2) and post-tax and transfer (columns 3-4) income definitions. We only report results for the White-Non-White comparison, as the results for the White-Black comparison are very similar. To make the pre-tax and transfer definition comparable with the post-tax and transfer definition, we augment the pure labor earnings variables used above with additional sources of income. In particular, we add unemployment insurance, pensions, and different forms of capital income.²³ As before, to ease the comparison, we report the raw gaps of the household level analysis in Table 9.

²³This new comprehensive definition barely alters the results on ethno-racial gaps in France at the 50th and 90th percentiles as shown in Table 8. This is due to the fact that labor income is the largest component of total income in both parts of the distribution.

With regards to the pre-tax and transfer income, the two countries are remarkably similar overall. Again, lower inequality acts in favor of French minorities; however, their position in both parts of the distribution analyzed is worse, and so it fully or partly counteracts the distributional component. Once again, excluding foreigners makes France decisively better off: Minorities are now positionally very similar in both countries, but overall inequality is much smaller in France, such that each rank penalty translates into a smaller earning penalty than in the U.S. We conclude that despite vast differences in their histories of slavery and its aftermath, as well as State approaches to questions of race, overall levels of racial stratification in France and the U.S. are similar. However, France's compressed earnings distribution mitigates the real effects of these positional losses.

Turning to disposable household income, we observe that total redistribution in the U.S. is as important, if not larger, than in France, in line with the results of Blanchet et al. (2022); Bozio et al. (2024).²⁴ Indeed, the distributional component in favor of France is reduced, especially at the median. However, French minorities seem to benefit relatively more from the intervention of the State. This is primarily due to the income support tools that are allocated based on specific criteria, such as child support (notably quite generous in France) and housing allowances (important in the Parisian region). Because minority families have more children on average (see Table 1) and live more in highly urbanized areas, they receive more of this type of income at the median. This shrinks the median French income rank gap from -24 (household earnings) to -16 (household disposable income) and transforms the positional component of the decomposition from negative (better off in the U.S.) to positive (better off in France). State intervention is thus not race-neutral in France (although its effect is substantially smaller when accounting for consumption units), while it roughly is in the U.S. Restricting to individuals born in the country, these two forces nearly cancel each other out, leaving the differences barely altered pre- and post-redistribution. In both cases, French minorities fare substantially better, mostly for distributional reasons. For the entire minority population, however, gaps in disposable household incomes between the White and Non-White populations are, with respect to the pre-tax and transfer case, clearly smaller in France than in the U.S., albeit not remarkably so. Again, this is mainly due to the substantially lower inequality level in the country.

²⁴In our sample, the Gini household income coefficient declines by around 0.07 in both countries. However, the reduction in local earnings gaps – measured relative to the median at the 30th and 40th percentiles – is more pronounced in the U.S.

Table 4: Earnings Level Gaps at household level by income definition, France vs. the U.S. - White vs. Non-White

	Pre-ta	ax & transfer	Post-tax & transfe						
	All Pop.	Born in the country	All Pop.	Born in the country					
Panel A: Median Earnings Level Gap									
Total Change	0.03	0.18	0.10	0.16					
Distributional Component	0.14	0.16	0.08	0.08					
Positional Component	-0.11	0.02	0.02	0.07					
Panel B: 90th Quintile Earnings Level Gap									
Total Change	0.00	0.10	0.02	0.10					
Distributional Component	0.05	0.09	0.04	0.08					
Positional Component	-0.05	0.01	-0.02	0.02					

Notes: The table reports the differences between the U.S. and France in the earnings gaps between non-Whites and Whites at the household-level by income definitions: pretax and transfer income, and post-tax and transfer income. It further decomposes those differences into a distributional and a positional component following equation 5. It does so for the median earnings gap in Panel (a) and the 90th quantile gap in Panel (b) for the working-age population (25 - 54 years old). Data: France, ERFS 2006-2020; U.S., CPS 2006-2020.

8 Conclusions

In this paper, we apply quantile regressions to document ethno-racial inequality at different parts of the earnings distribution in a notionally color-blind society, France. Our results indicate significant penalties in log earnings and rank gaps across the earnings distribution for the Non-White population. Being born in the country substantially reduces these gaps, but does not eliminate them entirely. Visible minorities experience the largest penalties, while White Europeans are almost indistinguishable from the White French-origin population. Even among visible minorities, however, not all ethnic groups fare the same: the most disadvantaged groups are those of MENA and Black French individuals of Sub-Saharan origin, while SE Asians fare as well as Europeans, if not better. Decomposing the main results by gender, we observe two interesting patterns: At the median, minority women, especially from MENA and Sub-Saharan countries, fare worse due to substantially lower rates of labor force participation. At the 90th percentile, instead, visible minority women are more on par with majority White women than is the case for their male counterparts. This pattern may reflect the presence of a glass ceiling constraining top-end earnings for women across all ethnic groups, potentially dampening racial disparities at the top of the income distribution. These results call for a better understanding of the labor market trajectories across different parts of the earnings distribution and underline the importance of doing so separately by gender.

Concerning trends, we uncover two distinct patterns: widening earnings level and especially rank gaps at the median, but ongoing convergence at the 90th percentile. This implies that the elite of the country is becoming more diverse, ensuring that economic and social power is more equally shared among ethnic-groups while middle-income minorities are falling further behind their White French counterparts.

In addition to documenting ethno-racial inequality, we offer some insights on the possible mechanisms at play in explaining the observed patterns. We compare human capital and geographic sorting types of explanations with that of discrimination. We find that, for men, penalties are only mildly reduced when accounting for broad education categories. For women, especially with a college degree, the role of human capital seems slightly more important, but substantial gaps remain at the median for all education qualifications, even for minorities born in France. Moreover, accounting for sorting always acts to widen disparities as migrants, and consequently their children, tend to locate in more productive areas of the country. We document instead differences in reported discrimination by ethnic groups that are roughly consistent with the main patterns in earnings inequality. These patterns are in line with a large literature on correspondence studies that show how visible minorities from MENA and Sub-Saharan origin experience discrimination in the labor market. Further work is needed to quantify the role of discrimination in racial wage inequality in France.

In the final part of the paper, we compare our results with the U.S. using a simulation exercise. Decomposing the differences in the penalties of similar groups in the two countries, we document that overall earnings gaps are larger in France when the foreign-born population is included, but smaller when it is excluded. The lower dispersion of earnings in France always operates to reduce racial gaps. This distributional effect is race-neutral, in the sense that it operates in the same way for any individual at a given percentile regardless of race. On the other hand, the positional channel, or the place in the earnings ladder held by minorities, operates in different directions depending on the part of the distribution, the nationality status, and the gender group considered. Similarly, at the household level, factors such as the place of birth and the income definition (before or after state redistributive) affect the sign and magnitude of the positional component. Overall, neither France nor the U.S. emerges as having a markedly better positional rank of minorities. This indicates no striking intrinsic differences between the color-blind approach of France and the embrace of racial categorization in the U.S. in the stratified structure of these two societies.

9 Appendix

9.1 Parents' country of birth v/s nationality at birth

Given that the variable parents' country of birth is only available in the rounds between 2006 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 for which both variables are available and document the extent to which our results differ using one variable or the other in Figure 9.

40 Country of Birth Nationality at Birth One Country of Birth Nationality at Country of Birth Nationality at Count

Figure 9: Share of Non-White under different definitions of origins

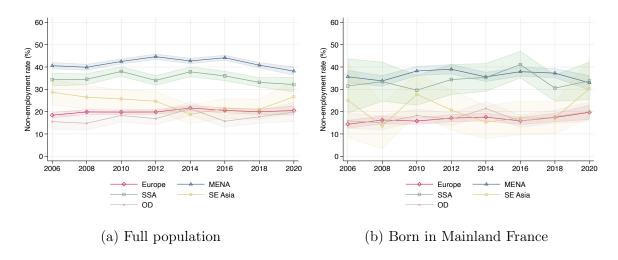
Notes: The figures show the share of Non-White individuals in each decile of total income. Panel (a) is estimated on the whole population, while panel (b) is restricted to those Born in Mainland France.

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, depending on the decile, or a uniform increase of about 10%. For people born in France, the gaps are similar in magnitude, but they now represent an additional 20% of Non-White population in each decile. These differences are not very large, but they are not negligible either. What remains constant, however, is the trend across income percentiles: compared to the median, lower deciles have a much larger share of the population classified as Non-White, while deciles above the median have a substantially lower share. This means that our main results are not fundamentally affected by the definition used. Furthermore, it should also be noted that, in the French context, the country of birth of the parents could be more misleading than the parents' nationality 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 compared to the other deciles. To conclude, 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 in our context even if information on parents places of birth was available.

9.2 Non-employment rate

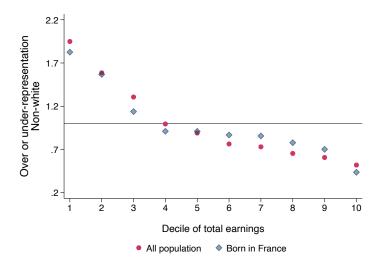
Figure 10: Evolution of non-employment rate by place of birth



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. Data: ERFS 2006-2020.

9.3 Over/under-representation

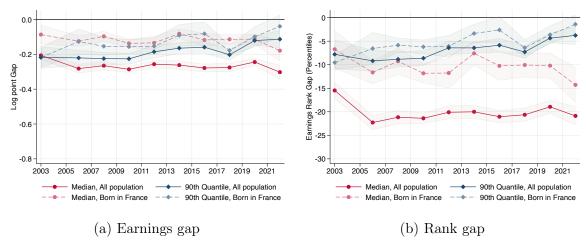
Figure 11: Over/under-representation by earnings deciles for positive earnings



Notes: The figures shows the extent to which Non-White individuals are over/under-represented in each decile of total earnings. Sample: Working-age population (25 - 54 years old) with positive earnings. Non-White individuals are individuals with two non-European foreign-born parents of the same origins as described in Section 2, and they represent 13% of the total population. Data: ERFS 2006-2020

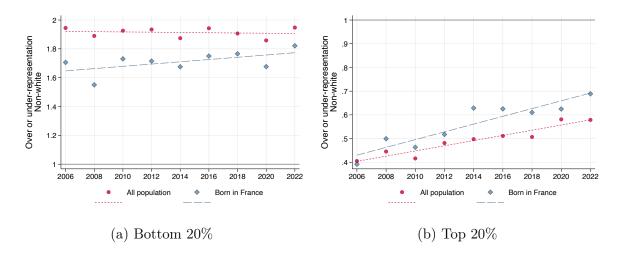
9.4 Earnings and Rank gap

Figure 12: Earnings and Rank gap Positive Earnings, Median and 90th Percentile



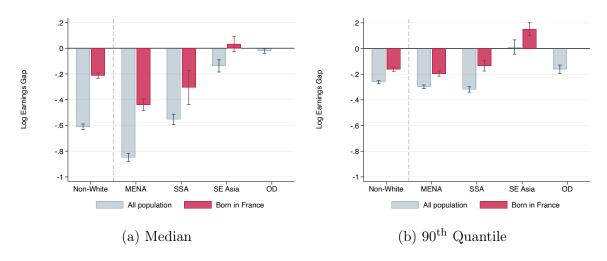
Notes: Panel (a) reports the estimation of β from equation 1. It shows the trend in the log point gap between White and Non-White at the median and the 90th quantile. Panel (b) reports the estimation of β from equation 2. It shows the evolution of the earnings rank gap (measured in percentiles) between White and Non-White at the median and the 90th quantile. Sample: Working-age population (25 - 54 years old), Positive Earnings. Data: FQP 2003 and ERFS 2006 - 2022.

Figure 13: Over/under-representation by origin country over time



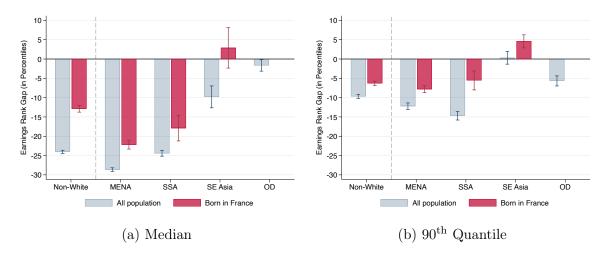
Notes: The figures show the extent to which Non-White individuals are over/under-represented in the bottom 20% (panel a) and top 20% (panel b) over time. Non-White individuals are individuals with two non-European foreign-born parents of the same origins as described in Section 2, and they represent 13% of the total population. Sample: Working-age population (25 - 54 years old). ERFS 2006 - 2022.

Figure 14: Log Earnings gap by group of origin and place of birth, Median and 90th Quantile



Notes: The figures reports the estimation of β from equation 1. They show the log earnings gap at the median in Panel (a) and the 90th quantile in Panel (b) for the working-age population (25 - 54 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 (SSA), Laos-Cambodia-Vietnam (SE Asia), the Overseas Departments of France (OD), and the rest of the World (Others). Data: ERFS 2006-2020.

Figure 15: Earnings rank gap by group of origin and place of birth, Median and 90th Quantile \mathbf{q}



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 - 54 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 (SSA), Laos-Cambodia-Vietnam (SE Asia), the Overseas Departments of France (OD), and the rest of the World (Others). Data: ERFS 2006-2020.

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

	Log points gap						Earnings Rank gap				
	M	edian	90th (Quantile		M	edian	90th Quantile			
	All	Born in	All	Born in		All	Born in	All	Born in		
	Pop.	France	Pop.	France		Pop.	France	Pop.	France		
Europe											
Male	-0,05	0.00^{\dagger}	-0.03^{\dagger}	-0,07		-4,8	$-0,3^{\dagger}$	-0.7^{\dagger}	-2,1		
Female	-0,21	-0,06	-0,06	-0,06		-11,1	-4,3	-1,9	-2,3		
MENA											
Male	-0,44	-0,29	-0,30	-0,22		-27,2	-22,2	-11,3	-9,1		
Female	X	-0,63	-0,30	-0,13		X	-21,9	-15,7	-5,7		
SSA											
Male	-0,37	-0,30	-0,31	-0,20		-25,4	-22,5	-12,9	-8,9		
Female	-0.75	-0,30	-0,33	-0.08^{\dagger}		-23,7	-14,5	-17,5	$-3,2^{\dagger}$		

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 (Europe vs. Middle East and North Africa (MENA) vs. Sub-Saharan Africa (SSA)). 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 $\dagger,$ are statistically significant at a 95% confidence level. Sample: Working-age population (25 - 54 years old). Data: ERFS 2006 - 2020

9.5 France-U.S. comparison: additional results

Table 6: Earnings Level Gaps by country

	White vs. Non-White					White vs. Black			
	(General	Men	Women	(General	Men	Women	
	All	Born in	All	All	All	Born in	All	All	
	Pop.	the country	Pop.	Pop.	Pop.	the country	Pop.	Pop.	
Panel A:	Panel A: Median Earnings Gap								
France	-0.61	-0.22	-0.37	-1.10	-0.58	-0.35	-0.37	-0.74	
U.S.	-0.40	-0.43	-0.45	-0.35	-0.45	-0.43	-0.65	-0.19	
Difference	-0.21	0.21	0.08	-0.75	-0.13	0.08	0.28	-0.55	
Panel B: 9	90th Q	uintile Earn	ings Gap						
France	-0.27	-0.15	-0.27	-0.25	-0.33	-0.14	-0.29	-0.34	
U.S.	-0.25	-0.32	-0.29	-0.16	-0.38	-0.34	-0.49	-0.20	
Difference	-0.02	0.17	0.02	-0.09	0.05	0.20	0.20	-0.14	

Notes: The table reports the overall gap between White vs. Non-White and White vs. Black estimated from β in equation 1 for France and the U.S., as well as their difference. All measures have been converted to 2019 current euros. Panel a) shows the median earnings gap, while Panel b) reports the 90th quantile gap. Sample: working-age population (25 - 54 years old). Data: France, ERFS 2006-2020; U.S., ACS 2006-2020.

Table 7: Earnings Level Gaps France vs. U.S., by gender

	White	White vs. Non-white		vs. Black						
	Men	Women	Men	Women						
Panel A: Median Earnin	Panel A: Median Earnings Level Gap									
Total Change	0.08	-0.75	0.28	-0.55						
Distributional Component	0.21	0.14	0.35	0.08						
Positional Component	-0.12	-0.89	-0.07	-0.63						
Panel B: 90th Quintile	Earning	s Level Gap								
Total Change	0.02	-0.09	0.20	-0.14						
Distributional Component	0.04	0.04	0.09	0.00						
Positional Component	-0.02	-0.13	0.11	-0.14						

Notes: The table reports the differences between the U.S. and France in the earnings gaps between non-Whites and Whites. It further decomposes those differences into a distributional and a positional components following equation 5. It does so for the median earnings gap in Panel (a) and the 90th quantile gap in Panel (b) for the working-age population (25 - 54 years old). Data: France, ERFS 2006-2020; U.S., ACS 2006-2020.

9.6 Household level analysis

9.6.1 Household income definition

In this section, we compare the income and rank gap at the household-level using two definitions of income: a *narrow* definition which corresponds to the income definition used in the individual-level analysis and a *broad definition* which adds more income components (unemployment benefits, retirement pensions, income on financial assets, etc.) to the narrow definition of income.

Table 8: Earnings and Rank gap by household income definition, Median and 90th Quantile

		Log poi	ints ga	p	F	Earnings Rank gap				
	Median		90th Quantile		Median		90th Quantile			
	All	Born in	All	Born in	All	Born in	All	Born in		
	Pop.	France	Pop.	France	Pop.	France	Pop.	France		
Household income definition Narrow definition Broad definition	-0.50	-0.33	-0.30	-0.20	-23.9	-16.8	-12.3	-8.4		
	-0.49	-0.34	-0.31	-0.23	-24.3	-18.0	-12.9	-9.7		

Notes: This table reports the earnings and rank gaps at the median and 90th quantile by household income definition (narrow vs. broad definition). All population and born in France refers to the place of birth of the highest earner within the household. Sample: Working-age population (25 - 54 years old). Data: ERFS 2006-2020.

Table 9: Earnings Level Gaps at household level by income definition by country, - White vs. Non-White

	Pre-ta	ax & transfer	Post-t	Post-tax & transfer					
	All	Born in	All	Born in					
	Pop.	the country	Pop.	the country					
Panel A: Median Earnings Level Gap									
France	-0.46	-0.33	-0.26	-0.22					
U.S.	-0.49	-0.51	-0.36	-0.38					
Difference	0.03	0.18	0.10	0.16					
Panel B:	Panel B: 90th Quintile Earnings Level Gap								
France	-0.31	-0.24	-0.24	-0.19					
U.S.	-0.30	-0.34	-0.26	-0.29					
Difference	0.00	0.10	0.02	0.10					

Notes: The table reports the overall gap between White vs. Non-White estimated from β in equation 1 for France and the U.S. at the household-level by income definitions: pre-tax and transfer income, and post-tax and transfer income, as well as their difference. It does so for the median earnings gap in Panel (a) and the 90th quantile gap in Panel (b) for the working-age population (25 - 54 years old). All measures have been converted to 2019 current euros. Data: France, ERFS 2006-2020; U.S., CPS 2006-2020.

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