

Top Incomes and the Measurement of Inequality in Egypt

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Paper Abstract: While the Egyptian revolution was partly motivated by claims of inequality, data show that income inequality was low and declining during the period that led to the 2011 revolution. This paper exploits unprecedented access to income data and a combination of newly developed statistical methods to evaluate income inequality in Egypt. Correcting for top incomes biases increases the Gini coefficient by just over one percentage point, a finding robust to several tests and methods. Also, Egyptian top incomes follow nicely the Pareto distribution and do not show any anomalies compared to surveys worldwide. These findings confirm that the pre-revolution income inequality in Egypt was low by regional and world standards and is not a good candidate alone to explain the Egyptian revolution.