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INCOME INEQUALITY AND CONSUMPTION PATTERNS: A CASE STUDY FOR TURKEY

Abstract:

Changes in relative prices of commodities consumed in different shares across different income groups can be expected to change real income differentials among these groups. Therefore the official inflation statistics published by the government which concentrates on a median consumer can lead us to misleading conclusions on income inequality. For this reason, consumption patterns of households should take into account. At the end of the project, results will enable us to make inequality comparison not only across geographical areas in Turkey but also across time, and finally, calculate income sub-group specific inflation measure by utilizing micro price and consumption data from Turkey.

Keywords:

income inequality, consumption, inflation

JEL Classification: A10, D40, E21