

Is Inequality Underestimated In Egypt? Evidence from House Prices

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Paper Abstract: Due to data constraints, most of the recent evidence on the rise of top income shares stems from developed countries. This paper presents a methodology for correcting the information in household surveys by imputing the top tail of the distribution of consumption expenditure. Our imputation uses data extracted from real estate listings which over-represent the top and, in contrast to the conventionally used tax record data, are in the public domain in most countries. We apply this methodology to Egypt, where the recent Arab Spring revolution brought issues of equity to the fore. However, according to the standard household survey analysis, consumption inequality in Egypt has been low and has even declined in the decade leading up to the revolution. Our imputation methodology does not change substantially this result a finding that challenges the notion that inequality of consumption was a factor behind the Egyptian revolution.