

PHILANTHROPIC POVERTY ALLEVIATION AND
POTENTIAL PARETO IMPROVEMENTS IN
SOCIAL WELFARE: A NORMATIVE ECONOMICS
CASE STUDY OF TRINIDAD AND TOBAGO

COTE (October 2015)

An Introduction

- A fundamental problem of all societies
- Poverty alleviation can come from 2 main sources:
 - Government
 - Philanthropy
- Is poverty alleviation a public good?...

An Introduction cont'd

- Essentially a free-rider argument that breaks down because:
 - Donors derive utility from giving

An Introduction cont'd

- Why the need for this research?
 - Rarely explored area in economics
 - Crowding out of philanthropy
 - Cost-effectiveness of government poverty alleviation
 - Sub-optimal targeting
 - leaks
 - Scarce fiscal resources
 - Labour market distortions
 - Ethical justification
 - Utility considerations

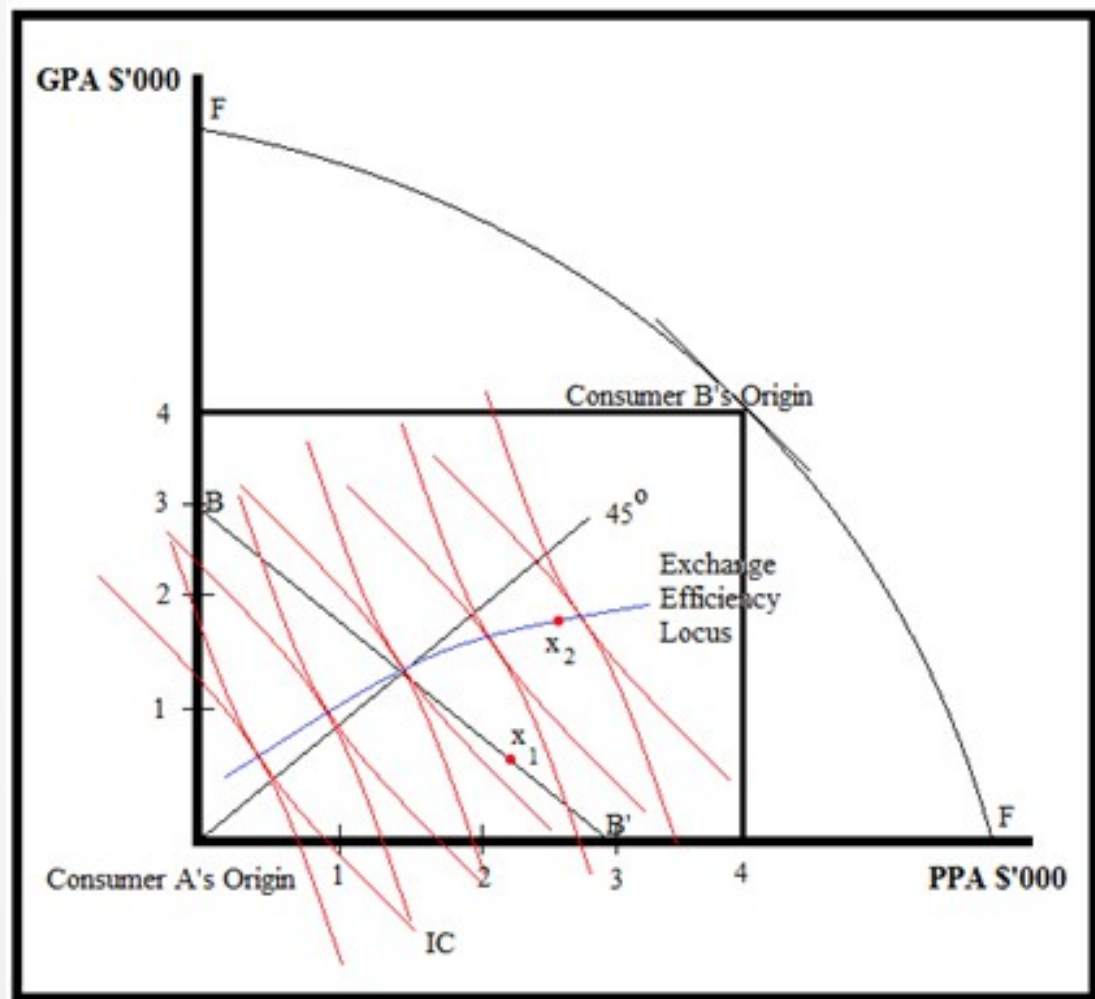
Research Question

- Is standard economic analysis capable of identifying welfare maximizing points with regard to poverty alleviation in Trinidad and Tobago and giving normative prescriptions on how to achieve these?

The Theory

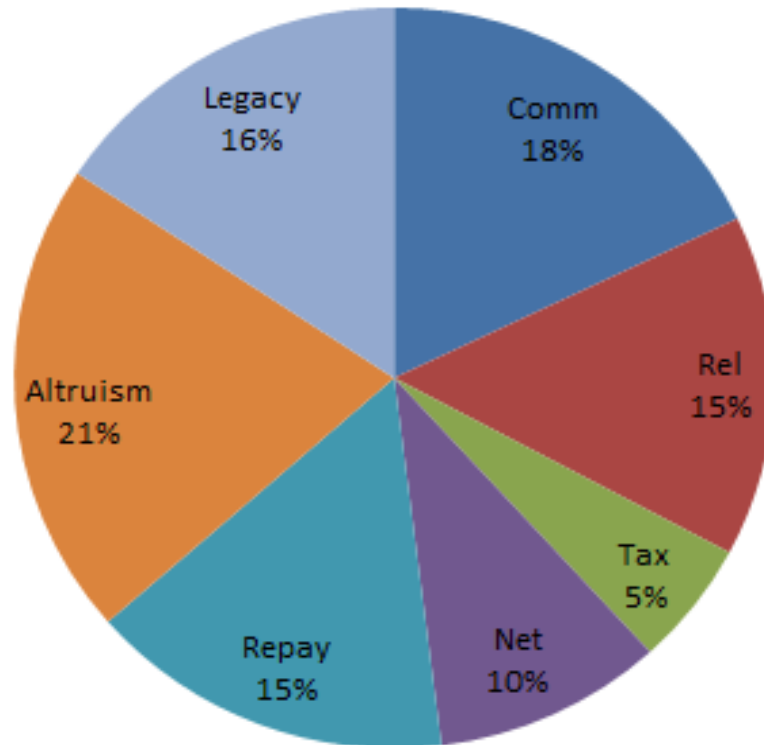
- Indifference Curve analysis
 - Revealed Preference
 - Choice Response
 - A Behaviorally Derived Method
- Welfare maximization framework (in progress)

Results



Philanthropic Motivators

- Motivating Factors:



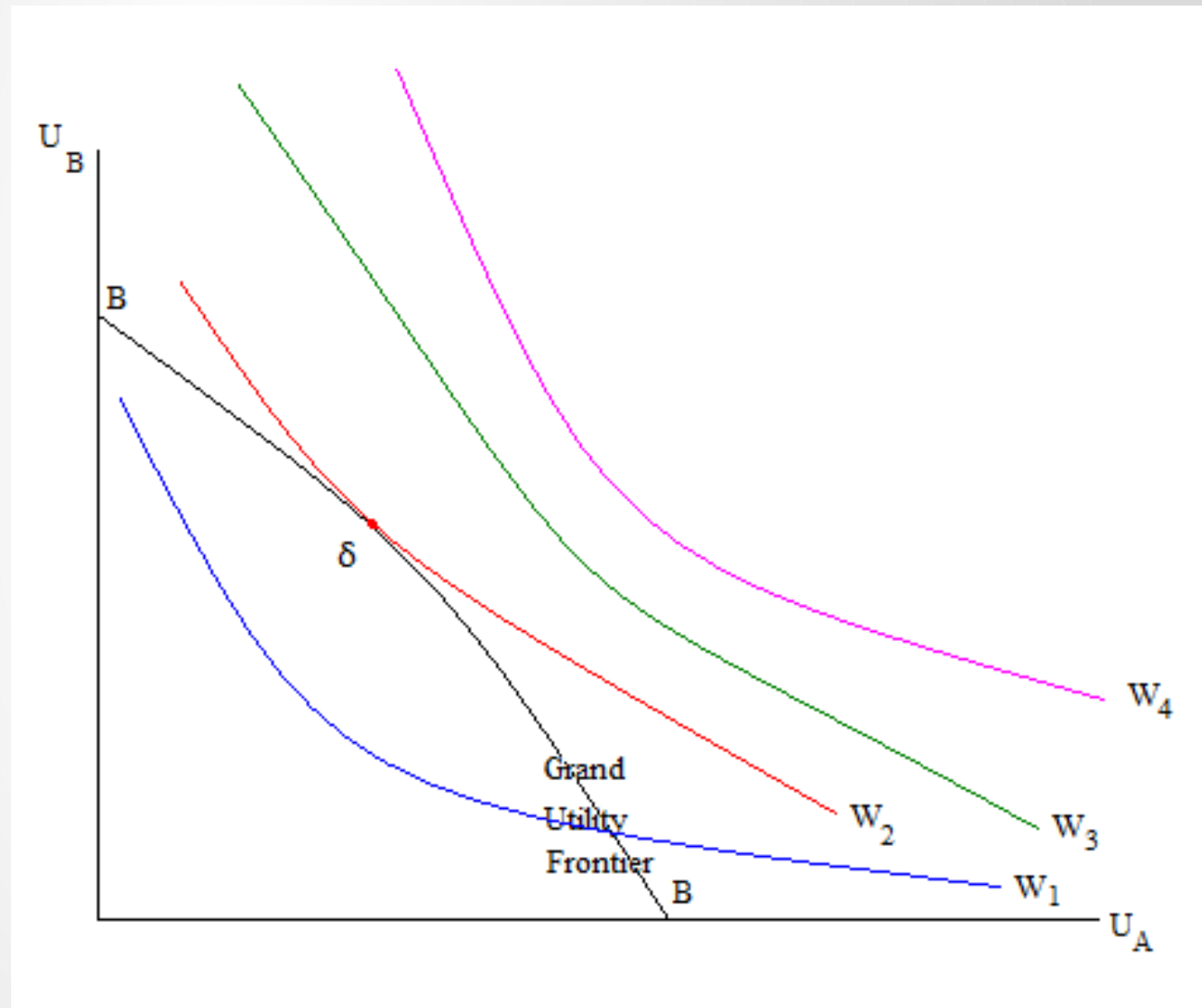
What Motivates People to Give More?

- Regression of the Motivating Factors on Level of Giving
 - No significant relationships
- Probably demographic reasons (income, age, education, ethnicity) (in progress)

Research Extension Areas

- Post-survey verification
- Corporations
- NGOs
- Welfare Maximization

Welfare Maximization



THANK YOU!