

Declaration-based Subsidy and Contextually Induced Truth-telling *

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Abstract

We shall prove the existence of such a situation that we can trust a person's declaration for political subsidy without any evidence as it is. In particular, we shall investigate a government's subsidization program that is intended to accommodate persons with unverifiable disability with a specific context of disability. And we show that an open declaration process, i.e. cheap talk that becomes common knowledge, enables fully accurate transmission of individual conditions. Some political implications are offered.

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Key words : declaration, subsidy, cheap talk, truth-telling

*Any remaining errors are the author's own.

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