

# Social Dynamics of Welfare Stigma: Welfare Fraud vs Rokyu

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## Abstract

There are two important problems in welfare benefit programs, one of which is the prevalence of ‘Welfare fraud’ which means taking-up welfare benefits by non-eligible people, and the other of which is ‘Rokyu’ (in Japanese) which means that eligible poor people are reluctant to claim welfare benefits. The purpose of this paper is to investigate both phenomena of opposite nature in a unified way by using the replicator dynamics based on the view of welfare stigma. Welfare stigma is important to understanding welfare fraud and Rokyu since it will affect the population dynamics of both potential eligible claimants and potential non-eligible claimants. We find that there are multiple equilibria, ‘low welfare fraud and serious Rokyu equilibrium’ and ‘high welfare fraud and not serious’ in the statistical discrimination stigma, on the other hand, there exists uniquely the stable interior stationary point in the taxpayer resentment stigma.

**Keywords:** Stigma, Replicator Dynamics, Rokyu, Welfare Fraud, Non Take-Up Welfare

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