
**THE RESTITUTION PRINCIPLE IN SOCIAL POLICY—
SUMMARY DESCRIPTION OF A RESEARCH PROJECT**

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Social insurance benefits are usually justified on the grounds that beneficiaries can no longer assure their own subsistence by participating in the production process, or that their earning capacity has to be protected or restored. However, on existing social security schemes (particularly in the Federal Republic of Germany), there are also a number of other benefits which have a different purpose: "compensation for damage which has been caused to a limited group of individuals owing to circumstances for which the community is responsible".¹ This may mean damage either to the person

¹ Report of the Committee of Inquiry on Social Questions, July, 1966, p. 115.

himself or to his financial situation. It may, but does not necessarily, result in a reduction in earning capacity, but in any case the compensation paid is not determined by the reduction in earning capacity, even when it is measured on this basis. In line with its objective, the compensation benefit should substitute for "normal" income, even for normal pensions. For this reason, compensation benefits which have the form of social benefits add greatly to the problems of cumulation and duplication of social benefits and of decisions about the allocation of costs.

The most important examples of such compensation benefits are payments for war damages: assistance to war victims and equalisation of burdens in the Federal Republic of Germany. However, accident insurance under "traditional" social insurance was already established on the same principle. In recent years, there have been a number of indications that the principle of compensation is finding increasing recognition. Titmuss has recognised that all those who suffer diswelfare through the action of society as a whole and thus bear part of the "costs of other people's progress in a dynamic and changing society, have a right to social security benefits".¹

This principle of restitution, its basis in social theory and its implications for social policy, are to be analysed in detail in a major research project. In particular, this will seek to set out:

- (a) the existing system of compensation benefits in the Federal Republic of Germany;
- (b) social theory about the responsibility of the community for individual misfortunes;
- (c) the possibility of developing an operational concept of "social costs" with regard to the financing of compensation benefits;
- (d) the possibility of harmonising or integrating social insurance and compensation benefits will be dealt with.

¹ TITMUSS, Richard M.: "The Relationship between Income Maintenance and Social Service Benefits —an Overview," *International Social Security Review*, No. 1, 1967, p. 60.