

sons over 16 years of age, with cash benefit, medical and disablement benefit, and a series of additional benefits for dentistry, nursing, etc. Where by failure to pay contributions due to unemployment these persons may unfortunately cease to be entitled to the insurance medical benefit, they can, in their need, have recourse to the public assistance medical service, which is to a large extent rendered by the same medical practitioners as serve on the panel. Of this vast group of insured persons as many as 8 millions receive benefit every year. Other conditions have also proved auxiliary. Food is cheap, presented in many and varied forms, and more rapidly distributed and available to the mass of the people. Though unemployment itself seems to be an unmixed evil it must not be forgotten that in innumerable instances the unemployed person has more fresh air, exercise, rest and freedom from industrial risks and restrictions than fall to his lot when he is employed. Again, the community, as compared with pre-war years, has realised the health and economic advantages of increased sobriety. Lastly, there is the ever-spreading practice of personal hygiene in dietary, clothing, exercise, cleanliness and an open-air life, which is rendering an immeasurable profit in life and health to the population as a whole.

"It is submitted that all these are factors in the health defences of the State and they appear to be effective, indeed, with all their imperfections and incompleteness, they have been vindicated by recent experience, something of a bulwark and a security in time of special difficulty and danger. In a word, the State and the municipality have come to the aid both of the individual and the people — in health, in sickness, and in the risks of physical impairment."

Invalidity Experience in the German Workers' Invalidity Insurance Scheme

DEFINITION OF INVALIDITY

Under the Workers' Old-Age and Invalidity Insurance Scheme embodied in the German Federal Insurance Code of 1924-1932 (R.V.O. 1924-1932) an "invalidity pension" is granted according to the following provisions (section 1255):

"An insured person who has attained the age of 65 years, or who is permanently disabled in consequence of sickness or other infirmity, shall receive an invalidity pension.

"A person shall be deemed to be disabled if he is no longer capable of earning, in any employment suited to his strength and ability which can reasonably be assigned to him in view of his training and previous occupation, one-third of the sum usually earned by a physically and

mentally sound person of the same kind with similar training in the same district.

"An insured person who is not permanently disabled, but has been disabled for 26 consecutive weeks, or who is still disabled after the cessation of the pecuniary sick benefit, shall also receive an invalidity pension for the further duration of his invalidity."

Invalidity pensions therefore consist of old-age pensions and disablement pensions. Old-age pensions are granted to persons who have attained the age of 65 years, irrespective of the degree of earning capacity¹, as an addition to the income of old people even though they may not yet be completely disabled. Disablement pensions as defined above are granted as compensation for the loss of earning capacity irrespective of age, in cases both of permanent disablement and of temporary disablement. In the case of permanent disablement, the pension is granted forthwith. If there is a prospect of recovery of earning capacity, an allowance is paid only if disablement has lasted 26 weeks or the claim to sickness benefit has ceased.

The construction placed on the term "disablement", or invalidity, as it is termed in the German law, by legal and administrative decisions, and the practice of insurance offices and institutions in administering the benefits of the insurance scheme, show that the legal definition has given rise to certain difficulties of interpretation.

In the following pages an outline is given of the interpretation of the law by legal decisions. It must, however, be kept in mind that these interpretations apply to cases that have given rise to difficulties in the application of the law.

*Evidence of a General or Economic Nature*²

Suspension of Earning Capacity.

In order to be entitled to an invalidity pension the insured person must be incapable of earning within the meaning of section 1255, paragraph 2, of the Insurance Code.

Unemployment. In the introduction to the original draft Bill on invalidity and old-age insurance of 1899, it was clearly stated that

¹ An old-age pension is granted irrespective of the degree of earning capacity on attaining the age of 65, provided the qualifying period has been completed; otherwise it is due at the date of completion of this period. An insured person has also the right to continue the payment of contributions after attaining the age of 65, and to claim an old-age pension at a later date.

² For reference cf.: (i) HANOW and LEHMANN: *Kommentar zur Reichsversicherungsordnung*. Viertes Buch. *Invalidenversicherung*. Berlin, 1925. (ii) *Reichsversicherungsordnung mit Anmerkungen*. Hsg. von Mitgliedern des Reichsversicherungsamts. Band IV. Berlin, 1926. (iii) KROHN, ZSCHIMMER, KNOLL, SAUERBORN: *Reichsversicherungsordnung, Handkommentar*. Berlin, 1931 (with recent additions). (IV) *Leitfaden der deutschen Sozialversicherung*. Bearbeitet von Mitgliedern des Reichsversicherungsamts. Berlin, 1930.

For legal decisions cf. *Ämtliche Nachrichten des Reichsversicherungsamts*; references to the year and pages are given in the subsequent footnotes under the abbreviation A. N.

it was not the aim of the law to provide for the case of temporary unemployment. This view was confirmed by decisions of the Federal Insurance Office (*Reichsversicherungsamt*) and the administrative authorities. It was held that temporary scarcity of employment due to economic conditions or, in other words, the practical difficulties of finding employment could not be taken into account in deciding on the eligibility for an invalidity pension.¹

Notwithstanding these very definite rulings employment conditions appear to have contributed to the increase in the number of claims. In medical circles opinions are divided as to whether social considerations should be taken into account in the certification of invalidity.

On the one hand, it is contended that in the selection on the labour market the physical constitution of the worker is an important factor. The weaker worker predisposed to sickness is dismissed; highly skilled labour is available even for work of an inferior category which the worker who is at a physical disadvantage would be capable of performing. He is thus unable to earn the minimum amount, not for reasons of unemployment only but owing to his physical condition. In certifying invalidity, therefore, a wider view should be taken in respect of the marginal cases. Those who oppose this point of view contend that the risk of unemployment should not be shifted on to the invalidity insurance carriers. Social legislation should be adapted to the present conditions. The task of the doctor, however, should be confined to certifying the physical and mental condition of the claimants. From a diagnosis and analysis of the case which take into account both health factors and economic and social conditions, the doctor could conclude how far improvement might be achieved by psychotherapy and by the exertion of personal influence on the mental state of the patient. In such treatment account might and should be taken of the social position of the patient and its psychological effects.

A more general solution of the problem is sought in a change of the principle governing insurance policy. The benefits of social insurance should no longer be administered in view of the reparation of the damage suffered but on the basis of the economic and social requirements of the insured person. For each member, both medical and socio-economic indications should be kept on record. The different branches of insurance should form a unit governed by the principle that distress should be prevented and provision made for those in need by taking into account conditions of employment and economic factors. A person may be disabled by far less than 66 $\frac{1}{3}$ per cent. from the medical point of view, but practically incapable of following his occupation, unemployed, and doomed to distress and starvation, while another disabled person may not really need the pension he is receiving.²

Incapacity for Work. The criterion employed in establishing a title to an invalidity pension is not the same as that applied in the

¹ A. N., 1892, 141; 1893, 95.

² Cf. articles in: *Deutsche Invalidenversicherung*, 1931; *Die Reichsversicherung*, 1931, No. 12.

case of a claim to sickness benefit. In the latter case the insured person may not be able, or not without prejudice to his health, to follow his ordinary occupation (remunerative employment which entails liability to insurance at the date of commencement of the illness).¹ In order to be entitled to an invalidity pension, the applicant must be incapable of earning the minimum amount in any remunerative work which may be reasonably assigned to him in view of his training and previous occupation (suitable employment).

Consequently, a pension may be granted in certain cases although the applicant is not incapable of work, if the insured person is permanently unable in consequence of disease or infirmity to make use of his capacity for work in the general labour market.²

Actual Earnings. If the applicant actually earns considerably more than one-third of the usual wage, there is a strong presumption that he is not disabled within the meaning of the law. Generally, however, the capacity or incapacity to earn the prescribed amount should determine the validity of the claim or the right to insurance, not the actual earnings. It should be ascertained whether these earnings are actually remuneration for work done and are not partly granted on compassionate considerations or by way of assistance. Where the requisite income is earned only owing to the aid of other persons or under exceptional conditions, or only by an excessive effort or by working considerable overtime, the insured person should not be considered capable of earning.³

Suitable Employment.

In deciding whether the applicant is able to accept employment, the whole labour market and not only his former occupation should be taken into account, provided that the employment is suited to his strength and ability and can reasonably be assigned to him in view of his training and previous occupation.

Employment suited to the Strength and Ability of the Insured Person. The insured person is morally obliged to make use of his remaining working capacity provided the work is not prejudicial to his health, dangerous, or painful. He may, however, be expected to adapt his work as far as possible to his physical condition. An insured person who could earn the minimum amount but, in order to prevent aggravation, needs medical treatment which keeps him from doing work is to be considered as disabled.⁴

¹ A. N., 1914, 631.

² A. N., 1893, 95 ; 1901, 431. This may be the case, for instance, if the insured person is disfigured by lupus, or subject to fits of insanity, etc.

³ A. N., 1891, 162 ; 1892, 140 ; 1893, 164 ; 1901, 430 ; 1904, 476 ; 1909, 476 ; 1921, 334. This may be of importance in deciding whether the claimant was at all liable to insurance, that is, whether he was capable of earning within the meaning of the law before claiming an invalidity pension.

⁴ A. N., 1901, 430 ; 1902, 504 ; 1904, 476 ; 1910, 503.

Training and Previous Occupation. Though in general an insured person who is partly disabled will try to find employment in his own occupation, he may be expected to take up work of an inferior category, and even to change his occupation. A skilled worker, for instance, may be required to take up unskilled work even in another occupation. The insured person, however, may not be required to accept employment with which he is entirely unacquainted and which is mentally and physically unsuited to him. A non-manual worker, for instance, may not be required to do manual work ; a joiner's assistant or stone cutter, however, may be expected to work as general labourer.¹

Employment. Employment is held to mean, as a rule, employment for remuneration. A person who has been insured as a wage earner but had to abandon such work because his capacity diminished may not be required or expected to engage in independent work or a business of his own (*Unternehmertätigkeit*) for earning the minimum amount. The income he may still be earning in such activity should not be taken into account for the purpose of establishing a title to an invalidity pension. Generally, only such employment may be assigned to the insured as may, by its nature, entail liability or a title to insurance.²

Extent of Labour Market. Employment should not be looked for only on the local labour market. Though the applicant cannot be expected to accept employment at a great distance from his former working place, employment at larger centres in proximity to his residence and easily accessible should be taken into consideration.³

Minimum Earnings.

For estimating the minimum wage, not the former actual earnings of the applicant, but an average wage determined on the basis of the earnings of persons in the same occupational group, should be taken as criterion. Generally this would be the group to which the applicant last belonged when his working capacity was still in the main unimpaired. This fact is mainly of importance when the insured person was forced by progressive infirmity to take up work of an inferior category. Persons "of the same kind" are persons physically and mentally sound, and not workers of the same age and the same working capacity as the applicant. Otherwise the disablement limit would be lowered with advancing age to the disadvantage of those who had persevered longest in their work.

On the other hand, account should not exclusively be taken of the highest wages earned during a short period only at the end of a long career.

The lowest earnings which may be admitted as standard for the purpose of the invalidity insurance law are the average earnings of a

¹ A. N., 1893, 95 ; 1901, 186 ; 1904, 353 ; 1912, 889.

² A. N., 1898, 323 ; 1906, 637 ; 1908, 517 ; 1921, 336.

³ A. N., 1893, 95 ; 1904, 353 ; 1906, 277 ; 1912, 889.

healthy labourer who depends exclusively on his physical strength for earning his livelihood and has to do the most ordinary kind of labour.¹

The "Same District".

The "same district" does not necessarily mean the place at which the applicant was actually employed, nor does it include all areas in which wage earners of the same kind are employed, but only those in which general wage conditions are similar for workers of that kind.²

Medical Evidence and Collaboration

Causes of Invalidity.

Sickness or other infirmity may be the cause of disablement. It may also include permanent bodily defects which do not generally require medical treatment.

The particular rulings relating to certain causes of disablement cannot be analysed here : it may be mentioned that the loss of a member of the body is not in every case considered as a sufficient cause of invalidity. Surgical appliances may be substituted for the lost limbs, or the loss may be compensated for by adaptation.³

Medical Opinion.

The task of medical certification in the procedure for establishing a title to an invalidity pension consists in the ascertainment of the physiological consequences of the accident or infirmity. Other medical opinion, in particular as to the effect of the physical condition of the applicant on his earning capacity, though it may serve as a valuable or even indispensable basis for judging the case, is not binding on the competent authorities. They are obliged themselves to examine the question of suspension of earning capacity.

The decision whether afflictions ascertained by medical examination and their consequences on the physical ability of the applicant still permit him to earn a sufficient income is therefore not the task of the doctor.

The medical certificate should clearly distinguish between the symptoms complained of by the patient, the clinical evidence, and the doctor's conclusions.

In some cases it may not be necessary to ascertain the numerical amount of the minimum earnings, nor the degree of incapacity in terms of earnings ; for instance, if the general state of debility of the applicant is evident.

Proof of invalidity may also be furnished by other than medical evidence ; such evidence may be of value in respect of certain physical

¹ A. N., 1901, 186, 429 ; 1902, 502, 682 ; 1903, 599 ; 1911, 415.

² A. N., 1903, 597 ; 1904, 353 ; 1917, 546.

³ A. N., 1893, 95 ; 1903, 539 ; 1906, 278 ; 1921, 334.

defects, the significance of which for the working capacity of the applicant cannot well be ascertained by the means of medical science.¹

The applicant must submit to medical examination, and if necessary, to observation in a hospital.²

Duration of Disablement.

The definition of disablement is the same in case of both permanent and temporary disablement, apart from the duration of the disablement.

Permanent and Temporary Disablement. The disablement is considered permanent when in all probability an improvement cannot be expected. Permanent disablement need not mean for life; no proof therefore is required that the condition of the applicant could never improve. The pension is due from the commencement of disablement.³

Invalidity is considered temporary if, to the best of human knowledge, there is a reasonable prospect of noteworthy improvement or cure within not too remote time. A vague prospect only, for instance, that the condition may be improved by protracted residential treatment, is not sufficient to assume the existence of temporary invalidity only.⁴

If in the course of an illness which by its nature could be considered curable it becomes evident that there is no chance of recovery, it must be examined whether the unfavourable issue was caused by the intervention of special complications or aggravations or other special circumstances which could not be foreseen. In this case, the disablement is regarded as temporary up to the date when these circumstances intervened, and as permanent after this date. Otherwise, that is, if the diagnosis was wrong or the prognosis not sufficiently well founded, the disablement is treated as permanent from the commencement.⁵

Temporary Invalidity Pensions. A title to an invalidity pension for temporary disablement is admitted only if invalidity persists after 26 weeks of continuous disablement, or at the time when the claim to sickness benefit ceases.

Generally, therefore, the pension is due from the 27th week after the beginning of disablement as defined in section 1255 (less than one-third of earning capacity); it is not sufficient, for establishing a title to a temporary invalidity pension, that incapacity to follow one's ordinary occupation (i.e. incapacity as defined for sickness insurance) should have lasted more than 26 weeks. As sickness benefit is generally granted for 26 weeks, the purpose of these provisions is to link up invalidity and sickness insurance in cases where the conditions for granting a temporary invalidity pension are satisfied, and to ensure

¹ A. N., 1901, 186, 404; 1902, 178; 1905, 413, 465; 1906, 638.

² A. N., 1898, 391; 1901, 431; 1917, 450.

³ A. N., 1892, 140.

⁴ A. N., 1892, 140; 1893, 123; 1896, 358.

⁵ A. N., 1893, 23.

that a person insured against both sickness and invalidity is not temporarily left without assistance.¹

Temporarily disabled persons who are not entitled to sickness benefit cannot receive an invalidity pension until after 26 weeks of disablement.

Provision is made for the payment of a temporary pension after a period of less than 26 weeks in case of cessation of sickness benefit at an earlier date. This provision is mainly intended to apply to insured persons who can claim sickness benefit for 13 weeks only.²

Generally, the obligation of the invalidity insurance institution begins when the obligation of the sickness fund ceases. If the insured person does not submit his claim for sickness benefit, he cannot claim a temporary invalidity pension within the first 26 weeks.³

Curative Treatment.

An insured person may not be considered as only temporarily disabled merely because the disease causing infirmity may be regarded as curable by appropriate treatment. It must be possible to ascertain that there is actually a prospect of recovery, reasonable account being taken of all relevant circumstances. For this purpose it should be examined whether the curative treatment in question is one which the insured person may be expected to undergo at his own expense, or whether appropriate treatment has been offered or proposed by the sickness fund, the accident insurance association, or the invalidity insurance institution. Moreover, the attitude of the insured person in regard to the curative treatment may be of importance for deciding whether the disablement is to be regarded as permanent. The insured person should for his part do his best to secure the success of the treatment offered and submit to the measures prescribed in the course of the treatment as far as they are not dangerous.

Payment of sickness benefit has not ceased within the meaning of the provisions concerning temporary invalidity pensions if the insurance institution arranges for a residential curative treatment during the period for which sickness benefit would be due.⁴

PROCEDURE

Submission of Claim

An application for an invalidity pension must be submitted to the insurance institution itself or to the competent local insurance office.⁵

¹ Payment of a temporary invalidity pension coincides partly with payment of sickness benefit, as the latter is generally paid from the fourth day of incapacity only, while the 26 weeks of disablement are counted from the first day of disablement.

² In case of linked-up illnesses, that is, renewed incapacity from the same illness within 12 months, if 26 weeks' benefit has been drawn during the preceding 12 months.

³ A. N., 1895, 258 ; 1901, 363 ; 1911, 580 ; 1912, 888, 1187 ; 1915, 733 ; 1917, 442.

⁴ A. N., 1893, 57 ; 1905, 414 ; 1911, 433 ; 1912, 888, 889.

⁵ This provision is made in view of the fact that the insurance institutions are relatively few in number and cover large areas, while there are numerous local insurance offices.

It may also be received by any other German authority or by a branch institution of the insurance carrier ; these bodies must then transmit the application to the insurance office. The application must be accompanied by documents in support of the claim. The insurance office—which generally receives the application—should complete these documents if necessary and then transmit the application to the insurance institution. The documents should include a medical, official, or other reliable certificate concerning the cause and duration of disablement.

The insurance institution is obliged to collect the evidence necessary to judge the accuracy of the facts. It may ask for the opinion of the competent insurance office ; the applicant may also require such opinion to be taken.

General.

Evidence

If the case is referred to the insurance office¹ the date of the commencement of disablement should be ascertained and evidence be collected as to whether the insured person had had to cease work owing to sickness during recent years, whether he gave up work voluntarily or whether the employer dismissed him because of incapacity for work, whether he still works occasionally, and on the conditions of employment and the wages received for any such work.

The claimant may ask that the opinion of a doctor named by him be taken if the insurance office considers that such opinion may influence its decision. Expenses are to be paid by the claimant in advance. Should the practitioner in question refuse to give an opinion, then the insurance office decides whether the opinion of another doctor designated by the office should be taken. At the request of the claimant a doctor named by him should in any case be consulted if expenses are paid in advance.

At the request of the insurance institution, the medical examining officer (referee) of the institution should also be consulted.

During the enquiry the office may make an examination on the spot and question witnesses and experts. The opinion of the chairman of the insurance office is then transmitted to the insurance institution together with the relevant documents.

If the case is not referred to the insurance office, the insurance institution itself collects the evidence required to judge the facts.

*Medical Certificate.*²

The medical certificate submitted by the claimant should not only certify the existence of disablement but also contain the actual evidence and the medical considerations. The description of the clinical evidence should be sufficiently definite and clear to permit of

¹ The steps taken by the office to ascertain whether general conditions of eligibility are satisfied cannot be analysed in this connection.

² Cf. documents of the insurance institution for Hesse-Nassau ; also HORN : *Praktische Unfall- und Invaliden-Begutachtung* (Berlin, 1932).

re-examination by another practitioner or by the medical referee. In practice the certificate is generally required to contain particulars on the commencement and course of the present illness and the complaints of the insured person; his record of illnesses; observations of the doctor on the general state of health of the insured and any special evidence; the final diagnosis with indication of the degree of invalidity; the opinion of the doctor on the patient's earning capacity and the kinds of work he may still be capable of performing, if any, as well as on the commencement of the disablement. The doctor's opinion on the probable development of the case, and on the permanent or temporary nature of the disablement and the advisability of curative treatment should be given.

If the attending doctor is not able to give a definite opinion, or if for other reasons an examination by a specialist or further observation of the patient is required, the applicant is usually placed under observation in a residential institution. As a rule, the medical examining officer of the insurance institution is also consulted.

Decision

The insurance institution has to decide whether the applicant is entitled to an invalidity pension. The applicant must be informed in writing of the decision. If the application has been finally disallowed he may request a copy of the opinion given by the insurance office, if any, as well as copies of the minutes of the proceedings and the medical certificates.

The application may not be repeated within a year of the notification of the decision unless it is accompanied by documents showing that circumstances offering proof of invalidity have arisen.

Appeal may be made to the judgment chamber of the competent superior social insurance office against decisions of insurance institutions.

INVALIDITY EXPERIENCE

General Movement of Invalidity Pensions

As explained at the beginning of this report, "invalidity" pensions consist of old-age pensions granted to insured persons who have attained the age of 65 years, and disablement pensions, as defined above, granted in cases both of permanent and of temporary disablement.

Up to 1923, old-age pensions and sickness pensions (temporary disablement pensions) were assessed on the basis of special provisions for each, and were separately recorded in the insurance statistics. The number of old-age and sickness pensions granted up to 1923, which is gradually diminishing, must therefore be taken into account when comparing the total number of pensions at different dates.

Disablement pensions, as distinguished from old-age pensions, thus include, since 1924, temporary disablement claims. The number of disablement pensions, properly so called, can be determined in the general statistics published by the Federal Insurance Office by means of

the age classification, the pensioners under 65 years of age being those in receipt of disablement pensions. Persons 65 years of age and over, though receiving old-age pensions irrespective of whether they are or are not incapable of earning one-third of the "usual earnings", evidently include also workers who were disabled before reaching the old-age limit. From the point of view of insurance benefits, this latter distinction is evidently of no importance, though for public health considerations it would be interesting and significant to know the causes of invalidity of persons 65 years of age and over.

The disablement and old-age experience of the German invalidity insurance scheme is summarised in tables I, II, and III.¹ It is characterised by the following facts :

(1) The number of disablement and old-age pensions has increased from 1,408,527 in 1924 to 1,761,412 in 1927 and 2,344,645 in 1932 (on 1 January of each year) (see table I). The rate of increase is stated to exceed by far the rate to be expected in view of the natural growth in the number of beneficiaries during the period of expansion, i.e.

TABLE I. MOVEMENT OF PENSIONS, 1924-1932 : CURRENT PENSIONS ON 1 JANUARY, AND CLAIMS GRANTED AND CESSATIONS DURING EACH YEAR

Year	Disablement and old-age pensions ¹				"Sickness " pensions ¹	"Old-age " pensions ¹
	Number on 1 January	Movement during the year			Number on 1 January	Number on 1 January
		Claims granted	Cessations			
			Number	Per 100 current claims		
1924	1,230,347	259,361	117,534	9.6	41,325	136,855
1925	1,372,174	260,126	118,335	8.6	34,152	108,071
1926	1,529,070	260,237	128,655	8.4	29,478	89,444
1927	1,660,652	245,632	134,671	8.1	25,440	75,320
1928	1,766,881	259,844	138,589	7.8	23,104	65,903
1929	1,888,717	269,384	159,491	8.4	21,599	58,041
1930	2,014,418	289,371	141,078	7.0	20,261	50,552
1931	2,163,538	276,133	153,748	7.1	19,388	45,404
1932	2,285,923	—	—	—	18,483	40,239

¹ "Sickness" pensions and "old-age" pensions were granted according to special provisions up to 1923. Since 1923 new pensions of all kinds—for old age and for permanent and temporary disablement—have been included under "invalidity" pensions.

¹ The tables are compiled from the following sources : (1) "Statistik der Sozialversicherung" (Annual supplements to *Ämtliche Nachrichten für Reichsversicherung*) ; (2) STATISTISCHES REICHSAMT : *Statistik des Deutschen Reichs*, Vol. 401, II (1930).

TABLE II. AGE DISTRIBUTION OF DISABLEMENT
AND OLD-AGE PENSIONERS, 1927-1929

Age group (years)	Disablement and old-age pensioners on 1 January								
	Number (thousands)			Per cent. of total			Per 100 of population of same age		
	1927	1928	1929	1927	1928	1929	1927	1928	1929
20-39	91	96	102	5.2	5.1	5.2	0.436	0.453	0.472
40-49	102	109	116	5.8	5.9	5.9	1.311	1.392	1.472
50-59	208	226	246	11.8	12.2	12.5	3.337	3.535	3.759
60-64	214	232	252	12.1	12.5	12.8	9.412	9.998	10.682
65 and over	1,146	1,193	1,252	65.1	64.3	63.6	30.463	30.843	31.410
All ages	1,761	1,856	1,968	100.0	100.0	100.0	—	—	—
	1,746 ¹	1,842 ¹	1,955 ¹	—	—	—	—	—	—

¹ Excluding pensions still current of insurance institutions formerly within German territory.

TABLE III. AGE DISTRIBUTION AND AVERAGE AGE OF DISABLEMENT
AND OLD-AGE PENSIONERS, 1929-1932 ¹

Year	Number of pensioners on 1 January			Per cent. of total		Average age of pensioners			
	Under 65	65 and over	All ages	Under 65	65 and over	Under 65	65	Over 65	All ages
1929	711,803	1,243,592	1,955,395	36.4	63.6	52.78	65	71.88	64.49
1930	765,268	1,292,368	2,057,636	37.2	62.8	53.00	65	71.86	64.41
1931	851,083	1,365,400	2,216,483	38.4	61.6	53.27	65	71.90	64.33
1932	901,593	1,433,669	2,335,262	38.6	61.4	53.40	65	71.95	64.35

¹ Excluding pensions still current of insurance institutions formerly within German territory (in West Prussia, Posen, and Alsace-Lorraine) and of the former Pension Fund of the Federal Railways.

until insurance has attained the stage of maturity under normal conditions.

(2) As regards the development since 1927 (see tables II and III), the proportion of the population aged 65 years and over who were in receipt of an invalidity pension on 1 January of each year (old-age pensioners) has risen from 30.46 per cent. in 1927 to 31.65 per cent. ¹

¹ According to the calculations of the Federal Statistical Office (*Statistisches Reichsamt*). Cf. *Statistik des Deutschen Reichs*, Vol. 401, II (1930), pp. 673 et seq.: "Der Einfluss der zukünftigen Bevölkerungsentwicklung auf die Invalidenversicherung."

in 1930. On the other hand, the number of pensioners under 65 years of age (the disabled) has increased at a greater rate than the number of pensioners aged 65 years and over (old-age pensioners). In fact, the disabled formed 34.9 per cent. of the total number of pensioners in 1927, and 38.6 per cent. in 1932. Thus, not only has the comparative number of old-age pensioners in the population increased, but disablement has gained relatively in importance, in spite of the extension of public health services on the part of the insurance institutions, and although the legal definition of disablement has not changed.

The movements in these two groups—old-age pensioners and disabled persons—were analysed by the Federal Statistical Office in a report published in 1930.¹ The conclusions reached and the estimates made in this report may be summarised and compared with the actual experience since 1930.

Old-Age Pensions (65 Years of Age and Over).

The actual and future movement of old-age "invalidity" pensions is in the first instance determined by the changes in the age distribution of the population.

The steady decline of the birth rate since the war (see table IV), and the increase in the average expectation of life at birth from 47.41 years for men and 50.68 for women in 1910-1911 to 55.97 and 58.82 respectively in 1924-1926, have brought about a change in the direction of an increasing proportion of old persons in the population. The

TABLE IV. NUMBER OF BIRTHS AND DEATHS, AND ACTUAL AND EXPECTED¹ RATES PER 1,000 OF THE POPULATION, 1925-1932

Year	Actual number		Rate per 1,000 of the population					
	Births	Deaths from all causes	Births		Deaths from all causes		Deaths from tuberculosis of the lungs	
			Actual	Ex-pected ¹	Actual	Ex-pected ¹	Males	Females
1925	1,292,499	744,691	20.7	—	11.9	—	0.90	0.89
1926	1,227,900	734,359	19.5	—	11.7	—	0.82	0.82
1927	1,161,719	757,020	18.4	—	12.0	—	0.79	0.78
1928	1,182,815	730,520	18.6	18.3	11.6	12.2	0.75	0.71
1929	1,147,458	805,962	17.9	18.4	12.6	12.3	0.77	0.70
1930	1,127,450	710,850	17.5	18.4	11.1	12.4	0.72	0.61
1931	1,031,770	725,816	16.0	18.3	11.2	12.6	—	—
1932	978,161	697,895	15.1	18.1	10.8	12.7	—	—

¹ Estimated on the assumption that the specific birth rate declines by 25 per cent. until 1955.

¹ *Ibid.*

percentage of persons aged 60 years and over was 9.5 in 1925, as compared with 7.8 in 1910. The future development was estimated by the Federal Statistical Office in 1930 on the basis of two alternative hypotheses, namely :

(a) The number of live births remains constant, i.e. the same as in 1927 ;

(b) the specific birth rate (in relation to the number of women under 45 years of age) continues to decline gradually until 1955, by 25 per cent. in all as compared with 1927, and then remains stationary.

These estimates were made by assuming that the average expectation of life at each age, as calculated in the life tables for the period 1924-1926, and the corresponding death rates would remain constant. The age and marital distribution of the census population in 1925, as corrected for the position on 1 January 1927, served as the basis for estimating the future structure of the population.

The probable age distribution in the two cases, (a) stationary number of live births and (b) decline in the specific birth rate, is shown in table V. In both cases the proportion of persons aged 65 years and over increases rapidly : in 1932 the estimated percentage would be 6.68 according to (a), and 6.67 according to (b), as compared with 5.76 in 1925. In fact, hypothesis (b) would appear to correspond more

TABLE V. EXPECTED PERCENTAGE AGE DISTRIBUTION
OF THE POPULATION, 1925-2000

Year	(a) Number of live births constant			(b) Specific birth rate declining until 1955 (by 25 per cent. since 1927) and then stationary		
	Age 0-14	Age 15-64	Age 65 and over	Age 0-14	Age 15-64	Age 65 and over
1925	25.75	68.49	5.76	25.75	68.49	5.76
1927	24.96	69.09	5.95	24.96	69.09	5.95
1928	24.32	69.59	6.08	24.32	69.59	6.08
1929	23.79	69.98	6.23	23.80	69.97	6.23
1930	23.31	70.30	6.39	23.34	70.28	6.38
1931	23.27	70.21	6.53	23.33	70.15	6.52
1932	23.61	69.71	6.68	23.70	69.63	6.67
1933	24.05	69.14	6.81	24.16	69.04	6.80
1934	24.47	68.60	6.94	24.60	68.48	6.92
1935	24.43	68.47	7.10	24.58	68.34	7.09
1936	23.90	68.84	7.26	24.07	68.69	7.24
1937	23.46	69.24	7.31	23.61	69.10	7.29
1938	23.15	69.36	7.49	23.26	69.26	7.48
1939	22.95	69.39	7.66	22.99	69.36	7.65
1940	22.76	69.40	7.83	22.71	69.45	7.84
1945	22.16	69.11	8.73	21.36	69.83	8.82
1950	21.93	68.86	9.21	19.90	70.67	9.43
1955	21.79	68.52	9.69	18.63	71.28	10.09
1960	21.72	68.14	10.14	17.87	71.37	10.76
1970	21.81	65.99	12.20	17.07	69.33	13.60
1980	22.14	63.98	13.88	16.55	66.94	16.51
1990	22.52	65.32	12.16	16.23	68.06	15.71
2000	22.70	65.67	11.62	16.25	67.05	16.70

closely to the actual development than hypothesis (a) and even seems too optimistic, the specific birth rate having declined from 128.2 per 1,000 women in 1925 to 118.9 in 1930, while the estimated rate would have been 121.9.¹ Between 1930 and 1932 (see table IV) the rate of decrease in the crude birth rate per 1,000 of the population was even more marked than in the preceding years, the rate falling from 17.5 to 15.1, while the "expected" rates, according to hypothesis (b), were 18.4 and 18.1. Up to 1940, however, the effect on the age distribution of hypothesis (b) (declining birth rate) does not differ materially from that of (a) (number of live births constant). Thereafter the two diverge, and in 1980 the proportion of persons 65 years and over, according to these estimates, is 13.88 in case (a) and 16.51 in case (b), as compared with 5.76 in 1925, while from 1980 onwards it remains at approximately 12 and 16-17 per cent. respectively.

The facts and estimates so far discussed would account for the growth in the number of old-age pension claims at a rate in excess of that "expected" on an actuarial basis. As the report states, however, the number of old-age pensioners had also increased *relatively* between 1927 and 1930, as compared with the population aged 65 years and over. The probable reasons given in the report are as follows. Within the occupied population a change in social structure may be noticed. The relative number of independent workers is decreasing. The effect of this change is enhanced by the fact that the average age has risen at which the sons of proprietors of small businesses become independent; they remain compulsorily insured during a longer part of their working life than formerly, and will therefore be more inclined to continue insurance voluntarily on becoming independent. Even now, 1,600,000 persons are voluntarily insured, consisting mainly of persons who continue insurance after ceasing to be compulsorily insured.

The influence of these social and economic factors may already be noticed in the lower age groups of the population, as will be seen from table VI. In this table the age distribution of the insured population is estimated on the basis of the Occupation Census of 16 June 1925.

Between 40 and 64 years of age approximately 34 per cent. of the population is covered by invalidity insurance; between 30 and 39 this percentage amounts to 38.1, and at ages under 30 to as much as 49.1 per cent. The relatively high number of young occupied women partly accounts for these high percentages. It may, however, be assumed that many of these will remain voluntarily insured on leaving employment. The same is probably true with regard to young men insured at that age who later on become independent. It is estimated that in 1950 the percentage of persons aged 65 years and over who are entitled to pensions will have risen to 35 per cent., as compared with 31.65 per cent. in 1930, and that it will then remain stationary.

¹ Cf. F. BURGDÖRFER: *Vorausberechnungen über die deutsche Bevölkerungsentwicklung bis zum Ende des 20. Jahrhunderts*. International Congress for Studies regarding Population Problems. Rome, 1931.

TABLE VI. AGE DISTRIBUTION OF THE TOTAL POPULATION, THE OCCUPIED, THE INSURED, AND PENSIONERS IN 1925

Age group (years)	Total population	Occupied population	Persons insured under invalidity insurance scheme	Nine-tenths of disablement pensioners ¹ (middle of 1925)	Insured persons and unoccupied pensioners	
					Number	Per cent. of total population of same age
Under 30	19,274,003	14,935,313	9,437,593	18,455	9,456,048	49.1
30-39	8,863,091	5,818,012	3,324,799	50,466	3,375,265	38.1
40-49	7,754,071	5,138,018	2,607,296	79,992	2,687,288	34.7
50-59	5,961,114	3,829,764	1,874,973	155,526	2,030,499	34.1
60-64	2,165,956	1,181,587	569,917	157,461	727,378	33.6
All ages	—	30,902,694	17,814,578	461,900	18,276,478	—

¹ It is assumed that one-tenth of the pensioners were occupied although in receipt of a pension, and were registered as occupied at the Census.

The probable development of the number of old-age pensions as estimated by the Federal Statistical Office is shown in table VII. Even for the first two years of the period (1931 and 1932) the actual number of pensions considerably exceeds the expected number. Moreover, the excess of actual over expected cases in 1932 is greater

TABLE VII. PROBABLE DEVELOPMENT OF NUMBER OF DISABLEMENT AND OLD-AGE PENSIONS, ESTIMATED ON THE BASIS OF POPULATION DATA

Year (1 Jan.)	Expected number of pensions (thousands)			Actual number ¹ (thousands)			
	Under 65	Over 65	Total				
1928	663	1,193	1,856 ¹	1,856			
1929	716	1,252	1,968 ¹	1,968			
1930	769	1,300	2,069 ¹	2,069			
1931	829	1,343	2,172	2,227			
1932	884	1,389	2,273	2,345			
1933	939	1,431	2,370	—			
1934	994	1,472	2,466	—			
1935	1,049	1,523	2,572	—			
1936	1,104	1,571	2,675	—			
1937	1,159	1,596	2,755	—			
1938	1,214	1,652	2,866	—			
1939	1,225	1,703	2,928	—			
1940	1,236	1,758	2,994	—			
	(a) ²	(b) ³	(a) ²	(b) ³			
1945	1,272	1,272	2,040	2,040	3,312	3,312	—
1950	1,355	1,355	2,228	2,228	3,583	3,583	—
1955	1,434	1,434	2,359	2,359	3,793	3,793	—
1960	1,504	1,504	2,475	2,475	3,979	3,979	—
1965	1,581	1,577	2,671	2,671	4,252	4,248	—
1970	1,512	1,503	2,967	2,967	4,479	4,470	—
1975	1,447	1,433	3,227	3,227	4,674	4,660	—
1980	1,223	1,199	3,325	3,325	4,548	4,524	—

¹ Including pensions still current of insurance institutions formerly within German territory.

² Number of live births constant.

³ Specific birth rate declining by 25 per cent. from 1927 to 1955.

for old-age pensions than for disablement pensions ; according to the estimates, disablement pensions would form 38.2 and 38.9 per cent. of all pensions in 1931 and 1932 respectively, whereas the actual percentages are 38.4 and 38.6 (see table III).

Disablement Pensions (Under 65 Years of Age).

While the relative increase in the number of old-age pensions is due to social, economic, and population factors which are beyond human control, the growing importance of disablement pensions calls for special attention and must be regarded as alarming.¹ Almost 40 per cent. of all pensions are cases of invalidity under 65 years of age, which should therefore be to a large extent preventable.

No doubt the changes in the constitution of the population discussed above also affect disablement pensions. As will be seen from tables VIII, IX, and X, the comparative increase in the number of disablement pensions is concentrated in the age groups 55-64. There is even a decrease since 1927 in the percentage of fresh claims at ages 30-49, though for the age group up to 24 the percentage has increased slightly since 1927.

TABLE VIII. PERCENTAGE AGE DISTRIBUTION OF NEW PENSION CLAIMS GRANTED IN EACH YEAR, 1913 AND 1924-1931

Year	Up to 24	15-29	30-34	35-39	40-44	45-49	50-54	55-59	60-64	65-69 ¹	70 and over ¹	All ages
1913	2.72	4.18	4.20	4.83	5.20	6.29	8.55	11.10	17.20	16.69	19.04	100
1924	1.22	2.15	2.04	2.22	2.60	3.78	5.55	9.63	17.95	46.32	6.54	100
1925	1.46	3.03	3.11	3.21	3.66	5.04	7.40	11.78	18.22	38.00	5.00	100
1926	1.53	3.40	3.64	3.79	4.29	5.60	8.54	12.40	20.10	33.73	2.98	100
1927	1.44	3.13	3.59	3.62	4.19	5.29	8.46	12.16	19.86	35.91	2.35	100
1928	1.55	2.89	3.25	3.39	3.98	5.15	8.57	13.00	21.35	35.41	1.46	100
1929	1.54	2.68	3.15	3.25	3.83	5.02	8.44	13.61	22.95	34.25	1.28	100
1930	1.68	2.71	3.13	3.25	3.82	5.06	8.88	15.22	24.30	31.22	0.73	100
1931	1.66	2.82	3.16	3.28	3.77	4.98	8.42	15.56	23.14	32.75	0.46	100

¹ See footnote ¹ on p. 841.

TABLE IX. AGE DISTRIBUTION OF DISABLEMENT AND OLD-AGE PENSIONERS ON 1 JANUARY OF EACH YEAR, 1925-1932¹

Year	Up to 24	25-29	30-34	35-39	40-44	45-49	50-54	55-59	60-64	65-69	70 and over
1925	3,326	12,141	19,142	24,498	31,156	45,035	60,444	93,725	161,822	435,735	485,150
1926	4,232	14,821	22,767	28,312	35,383	49,862	69,517	107,707	182,760	489,003	510,774
1927	4,759	17,503	27,320	33,243	40,440	54,720	81,802	118,718	209,026	523,757	536,344
1928	4,520	18,221	30,694	36,435	44,292	57,754	88,906	129,429	227,430	550,414	566,817
1929	4,886	18,751	33,000	39,828	48,096	61,652	96,112	143,568	247,423	574,036	609,790
1930	5,264	18,523	34,031	42,918	51,288	65,085	102,719	156,175	272,398	593,165	646,963
1931	6,228	19,340	35,548	46,591	55,499	71,007	111,748	179,409	310,046	620,972	696,990
1932	6,773	19,636	35,988	49,446	58,822	74,620	115,290	200,664	325,830	655,482	735,367

¹ Excluding old-age and sickness pensions granted up to 1923.

¹ Disablement pensions represented 34.9 per cent. of all pensions in 1927 and 38.6 per cent. in 1932.

TABLE X. NUMBER AND PERCENTAGE DISTRIBUTION OF DISABLEMENT AND OLD-AGE PENSIONERS ¹ ON 1 JANUARY OF EACH YEAR, BY AGE AND SEX, 1931-1932

Year and sex	Up to 24	25-29	30-34	35-39	40-44	45-49	50-54	55-59	60-64	65-69	70 and over
<i>Males :</i>											
Number :											
1931	3,372	11,061	22,969	30,635	34,799	42,894	67,087	110,125	198,518	424,839	449,166
1932	3,676	11,800	22,892	32,744	37,552	45,693	71,119	126,959	213,949	447,993	476,834
Percent-age :											
1931	0.24	0.79	1.65	2.19	2.49	3.07	4.81	7.89	14.23	30.44	32.19
1932	0.25	0.76	1.53	2.20	2.52	3.06	4.77	8.52	14.35	30.05	31.99
<i>Females :</i>											
Number :											
1931	2,856	8,279	12,579	15,956	20,700	28,113	44,661	69,284	111,528	196,133	247,824
1932	3,097	8,336	13,096	16,702	21,270	28,927	44,171	73,705	111,831	207,489	258,533
Percent-age :											
1931	0.38	1.09	1.66	2.10	2.73	3.71	5.89	9.14	14.71	25.88	32.70
1932	0.39	1.06	1.67	2.12	2.70	3.68	5.61	9.36	14.21	26.36	32.84

¹ Excluding old-age and sickness pensions granted up to 1923.

According to the population estimates, the proportion of the population aged 55-64 will increase appreciably (see table XI on the following page). This increase will evidently entail an increased risk of invalidity, as aged persons are generally more liable to become disabled by sickness than younger workers.

Other reasons, however, must have contributed to bring about the actual rise in disablement claims.

The reasons given by the Federal Statistical Office are as follows :

(1) The after-effects of injuries suffered during the war and the deterioration of ex-service men's health have in many cases hastened the advent of invalidity.

(2) The changes in social structure tending to increase the number of dependent workers also affect the number of disablement pensions.

(3) The main reason, however, is to be sought, according to the report, in unemployment, i.e. the unfavourable conditions in the labour market, as many workers now claim disablement pensions at an earlier stage than used to be the case in order to be protected against the risk of unemployment.

This last statement would seem to imply that in the certification of invalidity by the medical practitioner and the competent insurance

authorities a new social factor is being taken into consideration, though the legal definition of invalidity has not changed and is not supposed to have changed its meaning.

TABLE XI. PROBABLE NUMBER OF PERSONS (MEN AND WOMEN)
AGED 55-64, AND PERCENTAGE OF TOTAL POPULATION (ALL AGES) ¹,
1928-2000

Year	Men aged 55-64		Women aged 55-64	
	Number	Per cent. of total population	Number	Per cent. of total population
1928	2,498	8.1	2,663	8.1
1929	2,555	8.2	2,719	8.3
1930	2,623	8.4	2,784	8.4
1931	2,706	8.6	2,871	8.6
1932	2,776	8.8	2,952	8.8
1933	2,844	8.9	3,032	9.0
1934	2,902	9.1	3,110	9.2
1935	2,941	9.1	3,172	9.3
1936	2,972	9.2	3,221	9.5
1937	3,022	9.3	3,295	9.6
1938	3,032	9.3	3,332	9.7
1939	3,035	9.3	3,366	9.8
1940	3,038	9.3	3,400	10.0
1950	3,084	9.3	3,876	11.3
1960	4,080	12.6	4,540	13.6
1970	4,624	15.0	4,748	15.1
1980	3,523	12.3	3,553	12.3
1990	3,715	14.3	3,755	14.4
2000	3,811	14.1	3,358	14.3

¹ Calculated on the assumption that the birth rate declines by 25 per cent. from 1927 to 1955 and then remains stationary.

As to the future development of disablement pensions, the report estimated that the increase would be approximately 55,000 per year until 1988; after that date the movement of disablement pensions would depend exclusively on the movement of the occupied population.

On the assumption that the average increase is the same in each age group, the proportion of the population of various ages who would be in receipt of disablement pensions in 1988 would be as follows :

Age group	Pensioners per cent. of total population of same age
20-39	0.62
40-49	2.19
50-59	5.57
60-64	16.30

In fact, the number of disablement pensions increased by nearly 86,000 in 1980; the rate of increase then slowed down to 50,000 in 1981 (see table III).

*Movement of Pension Claims**New Claims.*

The total number of new claims (all ages) increased steadily from 245,682 in 1927 to 289,371 in 1930 and then fell to 276,133 in 1931 (see table I). This appears to confirm the conclusion that the rise in pension claims was mainly due to unemployment. Unemployment having now lasted for some time, those among the unemployed whose physical condition bordered on invalidity have probably received invalidity pensions. This may also be seen from the changes in the age distribution of the new claimants under 65 years of age, the proportion of new claims in the age groups 50-64 having decreased from 48.40 per cent. of the total in 1930 to 47.12 per cent. in 1931 (see table VIII), while in 1929 it was 45.00 per cent. only.

Cessations.

On the other hand, the number of cessations is considerably lower than the number of fresh claims (see table I). The position of stability when additions and cessations balance will probably not be attained for some time to come. From 1929 to 1930 the ratio of cessations to current claims diminished from 8.4 to 7.0.

The general decline of mortality tends to reduce the relative number of cessations.

The average duration of pensions having ceased in 1931 (i.e. the total period of payment, from grant to cessation) was approximately eight years (disablement and old-age pensions together).

Age and Sex.

The average age of pensioners under 65 years of age has increased. As will be seen from table III, it rose from 52.78 in 1929 to 53.40 in 1932.

The average age of entrants under 65 years of age rose from 52.24 in 1929 to 52.46 in 1930, the increase being due, according to the report, to the effects of unemployment. In 1931, however, the average fell to 52.31. The average age of entrants over 65 years of age has fallen during the last few years—as was to be expected—from 67.64 in 1929 to 66.93 in 1931.

The following table indicates the average age of pensioners of both sexes in 1930 and 1931. It will be seen that the average age of disabled women under 65 years of age is lower than that of men, the insurance risk being thus greater for women than for men. The general decline in the average age in 1931 is mainly due to the lowering of the average age of women.

Year	Men		Women	
	Under 65	Over 65 ¹	Under 65	Over 65 ¹
1930	53.11	67.03	50.98	67.66
1931	53.08	66.83	50.45	67.15

¹ Not including those aged 65.