

# German financial markets, big companies coin money out of the pandemic

Peter Schwarz  
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The leadership of Germany's Christian Democratic Union (CDU) has been stricken with panic following revelations that two of its deputies in the German parliament ( *Bundestag* ) pocketed six-figure commissions after brokering deals with companies producing medical masks. Both men used their parliamentary mandate for personal gain. The revelations come just days before elections take place in the states of Baden-Württemberg and Rhineland-Palatinate on Sunday and six months before the federal election.

Georg Nüßlein, a Christian Social Union (CSU) deputy, is alleged to have pocketed a “consulting fee” of 660,000 euros (\$US790,000) for the purchase of coronavirus protection masks, while CDU MP Nikolas Löbel took home 250,000 euros for brokering a mask deal. Both finalised the deals through companies they ran. The conservative CDU and CSU form a block known as the Union and both parties, which currently govern Germany in a coalition with the Social Democratic Party (SPD), now fear the wrath of the electorate.

After initially refusing to do so, both Nüßlein and Löbel have since resigned from the *Bundestag* and Löbel has quit the CDU. Both men came under pressure from the party leadership, which feigned astonishment and horror at their behaviour. The leader of the CDU, Armin Laschet, told ARD television that anyone who engaged in business deals involving the protection of the population in the middle of a crisis did not represent the people and should quit parliament as soon as possible. CSU leader Markus Söder wrote on Twitter: “All those concerned should immediately come clean and draw fundamental consequences.”

CDU parliamentary group leader Ralph Brinkhaus also called on the pair to immediately relinquish their mandates. He also did not rule out the possibility of further cases of corruption. “We will use the next few days to clarify all doubtful cases accordingly,” he told ARD. This suggests that Brinkhaus is aware of other cases—perhaps also involving members of other parties.

In fact, the cases of Nüßlein and Löbel are only the tip of

the iceberg. The two backbenchers simply carried out practices conducted by others on a much larger scale. CDU leader Laschet was involved in a similar scandal this past spring. In his function as the premier of the state of North Rhine-Westphalia, he ordered protective gowns worth 10,000,000 euros from a company for which his son Johannes works as a lobbyist.

Commissions and brokerage payments are just one way in which the pandemic is being used to coin money. Speculators, big corporations and their political stooges are exploiting every aspect of the crisis to profit from the casualties of the pandemic. Profits always take precedence over people's health and lives.

This began with the refusal of federal and state governments to impose a strict lockdown. Such a lockdown, as the examples of China and other countries have shown, could have prevented most of the 73,000 COVID 19-related deaths in Germany and 2.6 million worldwide. Instead, the German government never contemplated shutting down production in non-essential industries. In order for factories and other workplaces to continue production, daycare centres, schools and public transport were largely permitted to continue operating.

Not only were the health and lives of children, teachers, bus drivers and workers endangered, they also transported the virus into families and nursing homes, where the old and those already sick were infected. Government experts then claimed that infections were taking place mainly in the private sphere, without asking the obvious question of how the virus got into the private sphere in the first place.

At the same time as they played Russian roulette with the lives of children, teachers and others, the German government, the European Union (EU) and the European Central Bank flooded the financial markets and big corporations with trillions of euros. A fraction of this sum would have been enough to compensate for all the wages lost and the losses incurred by the self-employed and small businesses during a lockdown lasting a number of weeks.

This, however, was never the purpose of the “aid

packages.” Rather they generated a windfall for the super-rich. The DAX (German stock index) climbed to one record after another despite the economic slump. Last Wednesday it reached an all-time high of 14,540 points—72 percent higher than its level one year ago when the pandemic began. The total value of the 40 DAX companies has risen by 550 billion to 1.3 trillion euros in just under a year—an orgy of enrichment for investors and speculators.

Auto companies such as VW, Daimler and BMW, which received huge amounts of money from the state to subsidise short-time working and purchase bonuses, are now pouring out billions in dividends, while many workers are forced to live for months on meagre short-time working payments. BMW alone plans to hand out 1.64 billion euros to its shareholders for the past business year. Half of this sum goes to the major shareholders—the Quandt and Klatten families, whose wealth originates from the exploitation of forced labour during Hitler’s Third Reich.

At the same time, the pandemic is being used to press ahead with plans for company rationalisations and job cuts worked out long in advance. According to a study by the McKinsey Global Institute, which takes into account the impact of the pandemic, around 10.5 million workers in Germany will confront fundamental changes to their working lives up to the year 2030. Six-and-a-half million will have to “acquire significant new skills and qualifications or retrain,” while 4 million will have to find new jobs.

The snail’s pace of the vaccination campaign in Germany and Europe, which is crucial to overcoming the pandemic, also results in part from profit interests. Despite the fact that coronavirus vaccines were funded with government money and based on scientific knowledge and technologies developed at public universities, the government has flatly refused to lift patent protection rights or in any way interfere with the profits raked in by pharmaceutical companies.

For the latter, the vaccine is a goldmine. They have a vested interest in keeping the supply scarce and in building up the necessary production capacities only when sales of their vaccines are assured. Although supply contracts worth billions were already signed last summer and autumn, only now are some of the factory facilities necessary for mass production being expanded.

Pfizer and Biontech first offered their vaccine to the EU in June last year for the extortionate price of 54.08 euros per dose, according to the *Süddeutsche Zeitung* on February 18, citing internal documents. For 500 million doses, the companies demanded a total of 27 billion euros. They justified the price by claiming that it should not be based on research and development costs, but rather on the medical benefits of the drug, i.e., the damage the pandemic would

cause without vaccination.

According to the *Süddeutsche*, this was one of the reasons why the contract was not signed until November. A price of 15.50 euros per dose was finally agreed upon, less than one third of the original demand. Nevertheless, Biontech expects a pre-tax profit of 4.4 billion based on sales totalling 6.5 billion euros this year—i.e., a profit margin of 68 percent. The stock market value of the company has correspondingly tripled to 27 billion dollars.

Moderna, founded in 2010, whose vaccine has also been approved and which had a turnover of 60 million dollars in 2019, expects sales of 13.2 billion this year and is now worth 62 billion dollars on the stock market.

Compared to the daylight robbery undertaken by the financial markets, auto companies and vaccine monopolies, the two German deputies, Nüßlein and Löbel, resemble mere pickpockets. Nevertheless, alarm bells are ringing in the party headquarters. They fear that public disclosure of enrichment by elected MPs will cause anger over the federal government’s coronavirus policy to spill over.

This policy, based on the principle of “profits before lives,” is supported by all the parties in Germany’s 16 state governments. In their programmes for the federal election this autumn, they advocate the continuation of the same policy. Even such timid demands as the massive taxation of speculative profits, assets and top incomes are not to be found, let alone the demand for expropriation of the crisis profiteers. All of the political parties represented in the Bundestag are determined to recoup the trillion-dollar handouts to the rich by restoring the country’s “black zero” balanced budget policy at the expense of social spending and wages.

The Socialist Equality Party (SGP) is the only party contesting the federal election based on mobilising the working class on a socialist programme to overthrow capitalism. Its election statement reads: “No social problem can be resolved without expropriating the banks and major corporations and placing them under the democratic control of the working class. Their profits and wealth must be confiscated, and the trillions given to them over the past year must be returned.”



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