

Global Wealth Report: Fortunes of Germany's super-rich soared during pandemic

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The COVID-19 pandemic has enormously increased social inequality throughout the world. This is illustrated by the Global Wealth Report, which was published on June 10, 2021. Its authors, from the Boston Consulting Group (BCG), had initially expected a decline in total wealth, but their research shows that during the pandemic period, the wealth of the rich and super-rich reached new heights.

While more than 3.8 million people died of COVID-19, according to official figures, wealth in the form of financial and physical assets, including real estate, rose last year by 8.3 percent. Total global wealth, minus debt, reached \$431 trillion (about 355 trillion euros), an unimaginable sum with 12 zeros that exceeds five-fold the world's gross domestic product.

According to the BCG report, private financial assets alone rose by 8 percent to a record \$250 trillion, mainly due to rising stock prices.

As consistently reported by the *World Socialist Web Site*, stock markets have exploded, fueled by pandemic bailouts and “rescue packages” forked out by capitalist governments to the tune of hundreds of billions of dollars, euros, pounds and so on. These handouts to the corporations and banks drove the profit-before-lives policies of the world's capitalist governments that forced the international working class to continue working despite the dangers of COVID-19.

According to the Global Wealth Report, the number of super-rich increased by about 10 percent last year, to 60,000 people, who alone own 15 percent of the world's wealth. To be counted among the super-rich, one needs a net worth of over \$100 million.

This development finds extraordinary expression also in the rise of the super-rich in Germany and the

exorbitant rise of the wealth of the already rich, who profited in the course of the pandemic.

Stock prices rose in parallel with COVID-19 deaths. There have been 90,000 fatalities in Germany alone. During the same period, the number of German super-rich owning over \$100 million grew by 186, to 2,900, placing Germany only behind the USA (20,600 super-rich) and China (7,800 super-rich), followed by France with 2,500 and the United Kingdom with 2,100.

The number of dollar millionaires in Germany increased by 35,000 to 542,000. Although the increase is partly due to the strengthening of the euro versus the dollar, its primary cause is the world's rich and super-rich amassing more wealth in the crisis year 2020 than they ever have before. They have profited from the hardship and misery into which hundreds of millions of people around the globe have been plunged by the pandemic.

The *Tagesspiegel*, which reported on these developments in its June 10 edition, tabulates the 10 richest people in Germany, based on the Forbes list of richest individuals, indicating their wealth in 2019 and 2021 in billions of dollars. The top five places are occupied by the following individuals:

- Beate Heister and Karl Albrecht Junior (Aldi Süd): their combined wealth rose from \$36.1 billion (2019) to \$39.2 billion (2021) in those two years—an increase of \$3.1 billion.
- Dieter Schwarz (Lidl, Kaufland): from \$22.6 billion (2019) to \$36.9 billion (2021)—an increase of \$14.3 billion (the largest increase in this list)
- Susanne Klatten (BMW): from \$21 billion (2019) to \$27.7 billion (2021)—an increase of \$6.7 billion
- Klaus-Michael Kühne (Kühne & Nagel, logistics):

from \$12.9 billion (2019) to \$26.3 billion (2021), more than doubling his wealth!

- Stefan Quandt (BMW): from \$17.5 billion (2019) to \$21.6 billion (2021)—an increase of \$4.1 billion

Andreas Sprüngmann & Family (Hexal) follow in 10th place. They are among the major shareholders of BioNTech, the company that has made huge profits in recent months on its eponymous vaccine. The Sprüngmanns' fortune has also more than doubled, from \$4.4 billion (2019) to \$11 billion (2021)—a \$6.6 billion increase.

Ugur Sahin, founder and CEO of BioNTech, likewise leapt up Germany's list of super-rich. With a fortune of \$7.7 billion, he ranks 20th.

All of those named are direct beneficiaries of the pandemic. They either own shares in discount supermarket chains, such as Aldi, Lidl, Kaufland; or they run logistics groups like Kühne & Nagel and own assets in other companies, which also made big profits; or they control pharmaceutical companies, like the BioNTech owners. BMW's major shareholders, Susanne Klatten and Stefan Quandt, profited from rising share prices based on maintaining production despite the pandemic and restructuring measures at the expense of workers.

While the rich and super-rich raked in staggering fortunes, the situation for the working class worsened. Thousands have paid with their health and lives for the ruling class's profit-before-life policies.

Corporate boards and unions have used the pandemic as a pretext to eliminate hundreds of thousands of jobs. Wherever workers are fighting layoffs, plant closures, wage cuts and deterioration of their working conditions, they face a battle on two fronts: they face not only the inhabitants of the boardroom, but also works councils and unions that function as corporate co-managers.

In February of this year, unemployment in Germany had risen by 500,000 to 2.7 million compared to a year before. Many marginalized and low-wage workers also lost their jobs without being mentioned in the official statistics.

In May of this year, 2.3 million Germans were still on reduced hours, with a corresponding loss of wages.

More than 40 percent of German workers suffered income loss last year, and lower-income workers were hit particularly hard. In addition, the inflation rate also

rose to 2.5 percent in May, with prices for energy and food rising particularly sharply.

Two years ago, in 2019, the poverty rate in Germany reached an all-time high of 15.9 percent (13.2 million people). The pandemic has now further exacerbated social inequality.

The concentration of wealth at the top of society and of unemployment and poverty at the bottom have produced a degree of social polarization that is no longer compatible with democratic forms of rule. Once again, the ruling class is preparing dictatorship and fascism in the face of social dissent. This is evidenced by regular revelations of right-wing extremist conspiracies in the state apparatus, the armed forces, the police and the secret services.

The hoarded billions, provided to the pandemic profiteers from state coffers, must be reclaimed! They are urgently necessary to attend to the needs of society. The giant corporations and financial institutions must be transformed into democratically controlled public utilities.

The Sozialistische Gleichheitspartei (SGP), the German section of the International Committee of the Fourth International, is fighting for this program in the upcoming federal election. Only the international mobilization of the working class on a socialist program can put an end to the further unbridled enrichment of the financial oligarchy and counter the danger of fascism and war.



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