Global Wealth Report 2023: An orgy of enrichment for the super-rich

Andy Niklaus, Carola Kleinert
16 July 2024

Multimillionaires around the world have benefited from the inflation year 2023, while the German super-rich alone increased their wealth by 10 percent to more than €2.1 trillion. This money could be used to finance thousands of new hospitals, schools, universities, housing estates, etc., modernise Germany's entire rail and road network and end world hunger.

The global wealth produced by the international working class is concentrated in the hands of 73,000 super-rich people, the so-called "ultra high net worth individuals," as financial market analysts call them.

These "individuals" stand in contrast to hundreds of millions of workers who barely know how to meet the ever-increasing costs of basic necessities such as food, energy and rent each week or month.

In a press release from Zurich, the analysts behind the Global Wealth Report 2023 by the Boston Consulting Group (BCG) celebrate: "After a weak year in 2022, global net wealth rose significantly again last year."

The NATO war against Russia in Ukraine, which is devouring immense monetary, economic and human reserves, and the slaughter of the Palestinian population in the Gaza Strip, have not affected the profit margins of the super-rich in the slightest. Quite the opposite!

The net wealth of the ruling classes in all nation-states rose by more than 4 percent to over €400 trillion in 2023, as the Global Wealth Report reveals. Worldwide financial assets (cash, account balances, bonds, shares and investment funds as well as pensions) rose by 7 percent to €231 trillion. The largest increases were in North America (€8.7 trillion), Western Europe (€1.8 trillion) and Asia-Pacific excluding Japan (€2.5 trillion). Global tangible assets (real estate, precious metals and other physical assets) rose by 2 percent to €220 trillion.

The BCG report is intended to show the capitalist financial aristocrats and oligarchs, "in times of geopolitical uncertainty, such as recently during the conflict in Ukraine ... clear trends in trans-border asset flows, the so-called cross-border assets." Michael Kahlich, BCG partner in Zurich and co-author of the study, praised last year as "another significantly better year on the international financial markets. Investors in North America and Western Europe in particular benefited from this."

As the leading financial power, North American financial capital once again increased its wealth the most in both absolute and percentage terms. At €100 trillion, it is still clearly at the top of the global ranking of financial assets.

Last year, North America's financial capital increased by just under 9 percent or €8.4 trillion. Compared to its German rival on the global market, the report states that the "increase in financial assets in the USA last year was equivalent to more than half of the total net assets in Germany."

The US is home to the most super-rich individuals (26,000), with Elon Musk ($251 billion), who is notorious among workers worldwide, at the top of the list, followed by Jeff Bezos ($218 billion) and Mark Zuckerberg ($189 billion). With 8,300 super-rich people, China ranks second in the global comparison. Some 3,300 super-rich people now live in Germany (an increase of 300 compared to 2022), which puts Germany in third place in the global ranking—with a much smaller population.

In-depth research by the Netzwerk Steuergerechtigkeit (Tax Justice Network) has identified over 237 billionaires by name, although there are no official wealth statistics in Germany and assets can therefore only be estimated.

In first place, the Netzwerk Steuergerechtigkeit lists the Boehringer and von Baumbach family (Boehringer Ingelheim company), whose assets are believed to be between €50 billion and €100 billion. In second place is the Quandt and Klatten family (BMW) with an estimated €40.5 billion, followed by the Schwarz family (Schwarz Group, Lidl) with €39.5 billion, the Merck family with €32 billion, the Kühne family (Kühne & Nagel) with €28.5 billion, the Albrecht and Heister family (Aldi Süd) with €26.5 billion, the Porsche family (VW/Porsche) with €23.8 billion, the Albrecht family (Aldi Nord) with €18.5 billion, the Henkel family with €15.2 billion and the Otto family with €13.7 billion, to name just the first 10 super-rich "families" on the

© World Socialist Web Site

network's list.

These enormous fortunes contrast with the rapid impoverishment of working people. The poverty rate in Germany is now more than 20 percent. Single parents, those with large families, people with low educational qualifications and a large proportion of senior citizens are particularly affected by poverty. Child poverty is also at a record high: one in five children in Germany is affected by child poverty, which means that almost 3 million children and young people under the age of 18 are living in poverty.

While in the early 1990s, according to broadcaster ZDF, "the average wealth of the richest 10 percent [of the population] was 50 times higher than that of the poorer half," "it is now 100 times higher."

Over 20 years ago, the anti-working-class policies of the Social Democratic-Green Schröder/Fischer coalition (1998-2005) laid the foundations for the widespread impoverishment of the working class and the financial elite's orgy of enrichment with its "Hartz" welfare and labour "reforms" (today's "Citizens Allowance") and its creation of a nationwide low-wage sector. Margaret Thatcher in the UK and Ronald Reagan in the US had implemented similar measures in the mid-1980s. The spread of low-wage labor in Germany reinforced Berlin's dominance as Europe's leading economic power.

Significantly, the Schröder government did not reintroduce the wealth tax abolished in 1997 by the Christian Democratic (CDU/CSU) government under Helmut Kohl. Instead, the top tax rate was reduced from 53 to 42 percent. In fact, the richest financial oligarchs still pay just 1 percent tax today, as Jochen Breyer found out in his research for ZDF, "In the world of the super-rich."

Meanwhile, the bottom half of the population only owns 1.3 percent of total wealth. The top 10 percent, on the other hand, own two-thirds of total wealth. Among these 10 percent, the top hundredth of the rich elite concentrate 35.3 percent of total wealth in their hands, and among them the super-rich (0.1 percent of the population) hold nearly a quarter (23 percent) of Germany's total wealth.

According to the BCG report, the distribution of wealth in Germany is "disproportionately unequal." And in its latest article on the subject, *Der Spiegel* warns that this extreme concentration of wealth in the hands of the few will "reinforce the above-average level of inequality."

Maintaining this "above-average inequality" is not possible by democratic means. Since the beginning of the 2020s, strikes and class struggles against low wages, speed-up, poor working conditions and the risk of infection in the coronavirus pandemic have been increasing worldwide.

Today, the European and global working class is also confronted with the growing threat of nuclear war in Europe, which is being pushed by the NATO powers—above all Germany and the US—against Russia. At the same time, the preparations for war against Iran and China are being accompanied by escalation of the genocide in Gaza. The millions spent on the military actions of the imperialist powers are to be borne by the working class, which is already struggling with low wages, job losses and social cuts.

The obscene wealth of the financial aristocracy and the deep impoverishment of ever broader sections of the population inevitably lead to an intensification of class confrontations. For this reason, in order to suppress the class struggle, the ruling class is relying on stepping up the powers and arsenal of the police apparatuses and the radical right-wing camp, on the one hand, and on the German Trade Union Confederation (DGB) and its affiliated trade union bureaucracy and their pseudo-left lackeys, on the other.

In view of the incredible sums, calls for the fairer taxation of the wealth of millionaires and billionaires have recently been voiced again in the media. However, they are not aimed at the core of social inequality but are only intended to alleviate it slightly. Even such tame demands cannot be realised in the face of the interests of the financial aristocracy, which will not tolerate even the slightest curtailment of its profits, all the less so as the imperialist struggle for the re-division of the world requires, in its view, the subordination of all society and the economy to a pro-war policy.

What is needed, therefore, is not "fairer" taxation of the super-rich, but their expropriation and the subjugation of the banks and corporations to the social control of the working class, based on a socialist programme.

To contact the WSWS and the Socialist Equality Party visit:

wsws.org/contact

© World Socialist Web Site