



Something Rotten in Britain

Description

George M. Georgiou*

“Something is rotten in the state of Denmark” -Marcellus

“That one may smile and smile and be a villain” -Hamlet

(Act 1, *Hamlet*)

Some Very British (and not so British) Scandals

All imperial powers eventually wither away. Some through war, some through economic decline, some as a result of a smorgasbord of internal contradictions, and most through a combination of these. But even long after a state’s primacy has crumbled, the ruling class perpetuates myths designed to maintain a semblance of importance and respect.

By the time of WWII, Britain had already ceased to be the hegemonic imperial power, replaced by America. But the myth of a civilising, fair minded and a just country to be admired, and even replicated, by the emerging democracies (often former British colonies), continued to be cultivated by the British establishment. Whether in politics, business or sport, the notion of fairness, of being honourable and of playing by the rules were widely accepted as being part of UK culture. Until recently, when scandals (including corruption in public life) were exposed, they were considered an aberration from the norm.

The media played an important role in juxtaposing ‘clean’ Britain with other countries where all sorts of nefarious activities were common. Even today, some nationalist inclined

commentators still hold up Britain as an example of good governance with relatively little political corruption compared with other countries. However, a cursory look at history confirms what delusional nonsense this was. Far from being an aberration, corruption in modern Britain dates back to British capitalism's very beginnings. Think, for example, of the rotten (or pocket) boroughs in the 18th century.

The myth of a clean, fair and honourable Britannia gained traction in the 19th century. For example, in sport the so-called 'gentleman's game' of cricket was used as an example of ethical behaviour. The metaphor 'It's not cricket', which dates back to mid-19th century England, was used (and still is sometimes) to admonish unsportsmanlike behaviour, not just in sporting activities but also in politics, business and life in general.

The irony is that W.G. Grace, the iconic cricketer whose playing career extended from 1869 to 1908 and is still considered to be one of England's greatest players, was known for his 'gamesmanship' (euphemism for cheating) and the fact that, although an amateur, made more money from the game than the professional players. He was considered a loveable rascal, probably in the way that some in the Conservative Party and Tory press considered Boris Johnson before all the pathological lying and infantile buffoonery eventually caught up with him. Which brings us to the modern era of political corruption.

Using the mid-1980s as the starting point of the modern era (partly because it is within living memory of most readers), the number of political scandals has been growing. The fourteen years of Tory Party rule elevated political corruption and ineptitude to new heights. But prior to Tory rule, the Labour Party had its fair share of scandals as well. Furthermore, many of the transgressions in British public life have occurred outside the narrow confines of Westminster and have involved municipal government, the police and the Royal Family. Below is a list of some of the scandals stretching back to the 1980s.

1985: Al-Yamamah scandal involving BAE and defence contract bribes

1987-89: Homes for votes scandal in Westminster Council

1994: Cash-for-questions affair involving the Tory MP Neil Hamilton, and others

1997: Bernie Ecclestone affair involving a large donation to the Labour Party

1998: Peter Mandelson, Labour Government minister, involving a £373.000 loan

2006: Cash-for-honours scandal involving the Prime Minister, Tony Blair

2009: Cash-for-influence involving the Labour Party

2009: UK parliamentary expenses scandal involving, mostly, the two main parties

2010: Scandal involving the expenses claims of Lib Democrat minister, David Laws

2012: Cash-for-access scandal involving Tory MP, Peter Cruddas

2019-22: Various unethical expenses involving Boris Johnson and Tory Party donors
2020-22: Covid related PPE contracts awarded to politically connected companies
2021: Greensill lobbying scandal involving former Prime Minister, David Cameron
2013-23: Royal Duchy of Lancaster *bona vacantia* scandal
2016-24: £8.4 billion in contracts given to companies linked to Tory Party donors
2020-24: Conflict of interest involving Sunak and his father-in-law's company, *Infosys*
2024: The election betting scandal.

This list is merely indicative. A full list would require several pages.

The Sewers Stink

From the above list, there are three cases worth considering in more detail since they give a flavour of the broad spectrum of corruption that is prevalent in Britain.

The PPE scandal

During the Covid pandemic, the British government purchased billions of pounds worth of personal protection equipment (PPE). It transpired that a significant amount of this equipment was faulty or inappropriate for the needs of hospitals. Furthermore, much of it was purchased at inflated prices and from companies which had connections to the Conservative Party and/or had no previous experience in sourcing PPE products.

In April 2021, Transparency International published a report, *Track and Trace*, which reviewed nearly 1.000 Covid related contracts worth £18 billion. The key findings of the report were as follows, quote:

- “Contracts awarded to companies with political connections: Twenty-four PPE contracts worth £1.6 billion were *awarded to those with known political connections to Conservative Party*. (my italics)
- “Contracts awarded without competition: Between February and November 2020, 98.9 percent of COVID-19 related contracts by value (£17.8 billion) were *awarded without any form of competition, many without adequate justification*”. (my italics)
- “Contracts awarded to companies with no track record of supplying goods or services: ... 13 contracts totalling £255 million went to *10 firms that were less than 60 days old*”. (my italics)

Following the findings of parliament's Public Accounts Committee, that £4 billion of unusable PPE was purchased in the first year of the pandemic, the Chair of the

Committee, Meg Hillier, stated the following in June 2022:

“The story of PPE purchasing is perhaps the most shameful episode in the UK government response to the pandemic.... the government splurged huge amounts of money, *paying obscenely inflated prices and payments to middlemen in a chaotic rush during which they chucked out even the most cursory due diligence. This has left us with massive public contracts now under investigation by the National Crime Agency or in dispute because of allegations of modern slavery in the supply chain*”. (my italics)

A later report by the National Audit Office covering the period 2020-2022, and published in January 2023, found that a total of £15 billion had been wasted on unusable, overpriced and undelivered PPE.

The Royal Duchy of Lancaster scandal

In 2023, *The Guardian* revealed that the Duchy of Lancaster, which belongs to the reigning monarch, had benefited from the financial assets of people who died intestate. Under an antiquated system, whose origins date back to feudal times, when a deceased person living in the Duchy is intestate their financial assets are collected by the Duchy and, after deducting for costs, the revenues are supposedly distributed to charities. However, the *Guardian* journalists examined the accounts of the Duchy and found that only 15% of these funds, known as *bona vacantia*, ended up with charities. Instead, the remaining 75% were used by the Duchy to repair buildings on its estate. The buildings included farmhouses, cottages, holiday homes, etc, all used by the Duchy for, essentially, commercial purposes.

The Guardian also revealed that during the period 2013-2023, the Duchy received about £60 million in *bona vacantia*. And since inheriting the Duchy from the Queen, King Charles had, at the time of *The Guardian* article, already received £26 million in revenues from the Duchy, although it is not clear whether this includes the *bona vacantia*. Note that neither the Duchy of Lancaster nor the Duchy of Cornwall (owned by Prince William) pay capital gains tax or corporation tax.

The election betting scandal

On 22 May, Rishi Sunak stood in the rain outside 10 Downing Street, looking like a cross between a vexed 6th form school prefect and Norman Wisdom, and announced that there would be a general election on 4 July. No one expected the announcement since it was generally believed that the election would be held in the autumn.

On 12 June, *The Guardian* carried a report that the Gambling Commission was investigating Craig Williams, a Tory MP and Sunak's parliamentary private secretary, for possible infringement of the 2005 Gambling Act. Williams had placed a £100 bet with Ladbrokes on 19 May, three days before Sunak's announcement, that an election would take place in July. Under section 42 of the Gambling Act, it is illegal to benefit from a bet using insider information. Initially, the MSM played down the report but as the days passed, more revelations began appearing in the media involving Conservative Party staff, Tory and Labour politicians as well as policemen.

At the time of writing, the following had been or were being investigated by the Gambling Commission:

- Craig Williams, MP—Sunak's former parliamentary private secretary. Tory Party withdrew support.
- Tony Lee—Tory Party's Director of Campaigning. Took leave of absence.
- Laura Saunders (Lee's wife)—Tory Party candidate. Tory Party withdrew support.
- Nick Mason—Tory Party's Chief Data Officer. Took leave of absence.
- Russell George, Tory member of the Welsh parliament.
- Kevin Craig, Labour Party candidate, lobbyist and donor. Bet on himself losing.
- Unnamed Metropolitan police protection officer and part of Sunak's security team. Arrested and under investigation.
- Five unnamed police officers.

Apart from the above individuals, Alister Jack, the then Secretary of State for Scotland, admitted he had placed a bet on the timing of the election but has not been investigated. One newspaper alleged that Sir Philip Davies, Conservative Party candidate for Shipley, placed a bet of £8,000 that he would lose.

The three examples above are simply a representative sample of recent cases. They are not the most egregious examples.

Concluding remarks

Much has been written about Britain's decay; specifically, the economic decline, the rise

in inequality, the crisis in the National Health Service, the crumbling infrastructure, etc. Although political corruption often gets mentioned, there is still an image of Britain as relatively clean. For example, in Transparency International's 2023 *Corruption Perceptions Index*, the UK was ranked joint 20th with Austria, France and the Seychelles. This perception doesn't reflect the extent of Britain's rot.

**George Georgiou is an economist who for many years worked at the Central Bank of Cyprus in various senior roles. This is a shorter and edited version of an article that was published in Naked Capitalism on 11 July 2024.*