

Britain: Tessa Jowell and the politics of kleptocracy

Julie Hyland
16 March 2006

The revelations surrounding Culture Secretary Tessa Jowell and her multimillionaire husband David Mills's financial dealings say much about the corrupt social elite that run Britain.

One of the main claims made by Prime Minister Tony Blair's incoming Labour government in 1997 was that it would put an end to the sleaze that had characterised Conservative administrations.

Whilst it would pursue the same pro-big business policies as its predecessor, Blair pledged there would be no more allegations of brown envelopes full of cash passing between politicians and wealthy individuals as in the repeated scandals that had fatally undermined the Conservatives. Rather, his government would act as an honest broker between the major corporations and working people, to the benefit of all.

The Jowell affair has not only revealed Labour's own corruption. It underscores the degree to which this has been accompanied by the deliberate eviscerating of all democratic norms.

Over the years, there have been numerous scandals involving the financial dealings of leading Labour ministers, such as former Trade Secretary, now-European Union Commissioner Peter Mandelson, and former Home Secretary David Blunkett.

The Jowell/Mills revelations are even more damning. Mills faces prosecution in Italy on charges relating to a £350,000 bribe allegedly paid to him on behalf of Prime Minister Silvio Berlusconi for his favourable testimony in criminal proceedings against the Italian premier in 1997 and 1998. This money was allegedly laundered through a complex web of global arrangements culminating in the re-mortgaging of Jowell and Mills's family home in 2000, which was paid off just one month later with the Italian "gift". Although a co-signatory to the re-mortgaging contract, Jowell has claimed she was unaware of the £350,000 payment, despite co-signing another mortgage application for the same London home, in which she said there were no outstanding loans on the property.

The parliamentary code of conduct states that ministers should inform their permanent secretary of any interests, including gifts, that may give rise to a conflict and that this applies to the concerns of "a spouse or partner."

Italian prosecutors are also said to have documents detailing how Mills used his wife's position in government to further his

business dealings, including one letter written to the authorities in Dubai citing Jowell's role as a member of Blair's cabinet and assuring them that he had "the support and sympathy of very many people in public life, from the prime minister down."

Even if one were to accept Jowell's protestations of ignorance in this particular instance, that she was aware her husband's financial dealings might give rise to a conflict of interest was confirmed by reports that she has not participated in cabinet discussions on Britain's relations with Iran for the past three years because of her husband's business links with Tehran.

These latter include a reported payment of thousands of pounds to Mills for advising the Iranian airline Mahan Air on buying aircraft from British Aerospace. To this end, Mills had sought and received advice from the Foreign Office on the deal, which failed because of US embargos against Iran.

Subsequently, government ministers agreed to an extraordinary arrangement whereby the culture secretary would apparently leave the room or remain silent whenever cabinet discussions on Iran took place.

Despite these latest revelations, Blair has continued to defend Jowell and has insisted that she has nothing to answer for. On her first day in parliament after the scandal broke, the culture secretary received enthusiastic cross-party support, and has never once faced any questioning on her husbands' business allies.

What accounts for this state of affairs?

In defending Jowell, Blair is not simply protecting a political ally but his own relations with the rich and powerful. Notwithstanding the numerous criminal charges that have been laid against Berlusconi and the allegations of his links with the Mafia, Blair has publicly embraced the right-wing Italian premier as a close friend and political backer, and had holidayed with his family at the media tycoon's Sardinian mansion.

The prime minister's intimate relations with Berlusconi reflect Labour's transformation into the political representative of an international financial oligarchy whose wealth derives from the gutting of social provisions and workers' living standards so as to fund corporate tax breaks and provide rich

pickings for the stock markets.

It is the parasitic requirements of these layers that provided the impulse for the formation of Blair's "New Labour."

By the 1990s, the ability of globally organised capital to shift production around the world in search of the cheapest labour, lowest taxation and production costs meant that it was no longer possible for the traditional labour bureaucracies to combine their defence of the profit system with the advocacy of limited social reforms.

For almost two decades, the corporate elite had looked to the Conservative administrations of Margaret Thatcher and John Major to do their bidding. But in implementing its demands for union busting and cuts in public spending and social services, the party had become an isolated and discredited rump.

Under conditions where mass anti-Tory hostility threatened the long-term interests of capital, the Labour and trade union bureaucracy stepped into the breach, officially repudiating any connection with the working class and offering its service as the avowed political representatives of big business.

For corporate heads such as Rupert Murdoch, the absence of any ideological conviction other than the naked enrichment of a privileged few made Blair the ideal choice to lead this offensive.

Over the last eight years, the Blair government has delivered on its promises. Social inequalities have deepened as the government has laid waste to the health, education and social services of millions of workers to feed the demands of the transnationals and major shareholders.

Labour has drafted numerous multimillionaire businessmen into government and has distributed peerages in the House of Lords to wealthy financial donors, who thereby have a direct role in drawing up policies that will facilitate their further enrichment.

At the same time, it has encouraged the type of tax avoidance and stock market speculation by which Mills made his fortune. Under Blair, the richest 1 percent of the population now enjoys a greater share of national income than at any time since the 1930s. London has become the home of some of the wealthiest people in the world, due to laws that exempt those who spend fewer than 90 days a year in the UK from paying tax on any earnings overseas.

As the social basis of all the main parties has been reduced to a privileged few, the drive to remove official politics from any form of popular control has accelerated. The result is a political establishment completely removed from the concerns and circumstances facing the broad mass of the population and a government with the characteristics of a kleptocracy.

Corruption and sleaze flow inexorably from the essential political function of such an administration. Like the Tories before them, the Labour politicians who now carry out the bidding of the super-rich do so with the expectation of reward for services rendered. And just as Labour now depends on the wealthy elite for its funds, so too do its representatives seek self-

advancement through their contacts with the business elite.

A position in government has always been a path to self-enrichment. MPs often assume their places on company boards while still in office, and once leaving government there are no limitations on their activities. One of the documents leaked during the Jowell scandal was from a broker supporting the culture secretary's application for a re-mortgage. Her financial security was assured, the broker stated, as "She is likely to stay in politics for two more terms of office, and then would probably move to the House of Lords."

Undoubtedly, one reason why parliament gave Jowell such an easy time of things was that few MPs want to draw unnecessary attention to the fiction that the dealings of their own spouses are somehow unrelated to their own political role.

Nevertheless, today there is an even greater degree of hostility and impatience with the minimal restrictions placed on sitting MPs in furthering their business careers. In part, this is driven by the social milieu in which Labour operates.

By normal standards, an MP, let alone a cabinet member, enjoys a privileged existence—with pay, expenses and grace and favour houses and cars, etc., putting them in the top 10 percent of top earners. Blair and his barrister wife Cherie would make it even higher up the social scale.

But in comparison to their billionaire backers in the top 1 percent, they view themselves as virtual paupers at the banquet—the poor relation constantly made aware that others enjoy a lifestyle of which they can only dream.

Writing in the *Independent* on March 6, the right-wing columnist Bruce Anderson noted how Blair's sycophantic fawning on those wealthier than himself is matched only by his envy. Numerous dinner guests of Blair and his wife had told Anderson how "Late at night, when the official guests have gone, the Blairites have a topic to which they always return, like a man prodding a sore tooth. They are obsessed by their own poverty; envious of some of their friends' riches," and always hoping "that some of the dosh will rub off on them."

Peter Mandelson's boast in 1998 that New Labour was "intensely relaxed about people getting filthy rich" was not motivated by altruism. For Blair's New Labour clique, neither political probity nor democratic norms can be allowed to stand in the way of their acquiring a share of the riches that their policies are helping others to accumulate.



To contact the WSWWS and the Socialist Equality Party visit:

wsws.org/contact