



UK: Rishi Sunak is Prime Minister. Here's What He Doesn't Want You to Know

Description

UK: From offshore dealings to right-wing think tanks, here's our guide to the man who could become the UK's richest PM.

Chancellor announces additional support to protect businesses

Sunak (right) with Boris Johnson (left) in 10 Downing Street | 19 March 2020 | Licensed under the United Kingdom Open Government Licence v3.0.

20 October 2022 (openDemocracy)* — Prime minister Rishi Sunak – reportedly the richest MP in Parliament – would be a boon for the financial lobby, tax justice campaigners have warned.

As talk turns to the next Conservative leader, the man trounced by Liz Truss just weeks ago is now the favourite to replace her.

But experts say Sunak has not been transparent with his finances and that his hedge fund background raises questions about his commitment to fighting tax avoidance.

His profile has risen sharply since he became chancellor in early 2020, just weeks before the first lockdown began. But critics say a slick public marketing campaign has disguised a man with an ultra-privileged background, who is a committed Thatcherite ideologue.

Here's the openDemocracy guide to the man who might just end up as the UK's next prime minister, originally published in January 2022.

He went to private school

Sunak marked his first year in the Exchequer by [tweeting two photos of himself](#): one as a child in school uniform, and one as the chancellor, standing outside Number 11.

He wrote: "Growing up I never thought I would be in this job (mainly because I wanted to be a Jedi) [...] It's been incredibly tough but thank you to everyone who has supported me along the way."

The message carefully tip-toed around his privileged upbringing. Until the age of 11, Sunak attended Oakmount Preparatory School and then the Stroud Independent Prep School, the latter of which now charges fees of up to £18,500 a year.

From there, he studied at King Edward VI School in Southampton (now £17,000 a year) before moving to Winchester College (now £43,335 a year).

Five chancellors and one prime minister have attended Winchester, one of England's oldest public boarding schools and a long-standing rival of Eton, before Sunak.

"[Sunak's] tweet made me smile," said Richard Beard, an author whose latest book 'Sad Little Men: Private Schools and the Ruin of England' assesses the private education system and the many politicians that have been through it.

"The idea that, while studying in Winchester College, he would have never thought he would be at the top of government is very unlikely to me. Leadership qualities are one of the things that they teach you and you're bound to think of your future in those terms.

"So he would definitely have thought that that is the kind of job that he'd be in, even if he didn't explicitly think of chancellor of the exchequer."

In media profiles, Sunak's allies describe him as "immaculate", "calm" and "organised", qualities befitting of a former Winchester head of college. None volunteer that he is empathetic or compassionate. When given examples of people who are experiencing hardship in Parliament or press interviews, as he was on '[Good Morning Britain](#)' last year, Sunak listed policies in response, but offered no consolations.

Five chancellors and one prime minister have attended Winchester before Sunak.

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Five chancellors and one prime minister have attended Winchester before Sunak. / Britpix / Alamy Stock Photo

Beard, whose book is partly based on his own experiences, believes all-male boarding schools emotionally harden their students. To survive, he says, boys cannot show any vulnerability among their

peers.

“If you repress emotion for yourself then ultimately it becomes very easy to repress feelings for other people,” he argues.

And while boarding schools like Winchester may prepare students well to advance in politics, Beard says they instil a worldview that is far from ordinary.

“Money is at the centre of it all because everyone knows it costs a lot of money, including the boys, but the actual money is abstract. The needs of everyday life are simply taken care of for you,” said Beard.

“How can you actually then think in terms of people struggling for five pounds and ten pounds?”

He cut benefits

Last year, Sunak was heavily criticised for axing a £20-a-week increase to Universal Credit that had helped some of the poorest families through the pandemic. More than 200,000 would have been pushed into poverty as a result of the cut, according to [research by the Joseph Rowntree Foundation](#).

Just weeks before the cut was confirmed in July, the chancellor requested planning permission to build a private swimming pool, gym and tennis court at the Grade II-listed Yorkshire manor that Sunak and his wife, Akshata Murty, purchased for £1.5m in 2015.

After several MPs from his own party spoke out against the Universal Credit cut, Sunak increased in-work benefits in his Autumn Budget – but not by enough to offset the cut.

He has a lot of money

The Sunaks’ Georgian mansion, where locals described attending parties with liveried staff pouring champagne from magnums, is not the only property they own. There is also the £7m, five-bedroom house in Kensington, west London; a flat, also in Kensington, that the couple reportedly keep “just for visiting relatives”; and an apartment in Santa Monica, California.

The chancellor’s extensive property portfolio is just one source of his wealth. After studying at Oxford University, Sunak went on to work for US investment bank Goldman Sachs for four years. He left to pursue a business degree at Stanford University in California, where he said meeting influential figures in the multi-billion US tech industry “left a mark” on him.

From there, Sunak had a stint working at hedge funds back in London. He was a partner at the Children’s Investment Fund (TCI) where he is believed to have made millions of pounds from a campaign that helped trigger the 2008 financial crisis.

Sir Chris Hohn, the fund’s founder paid himself a record £343m in the first year of the pandemic. TCI is ultimately owned by a company registered in the Cayman Islands, according to its accounts. Its philanthropic arm, the Children’s Investment Fund Foundation (CIFF), donated £255m to charitable causes last year (full disclosure: openDemocracy has received funding from CIFF since 2019).

Sunak then left to co-found his own firm Theleme, which had an initial fund of £536m – and is also registered in the Cayman Islands.

Grade II-listed Kirby Sigston Manor.

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Grade II-listed Kirby Sigston Manor. | Paul Buckingham, CC BY-SA 2.0

His financial interests aren't very transparent

The Cayman Islands are one of the world's top offshore tax and secrecy havens. When an investment is made through a hedge fund in the Caymans, "nobody can possibly know where the money has come from", said Alex Cobham, the chief executive of the Tax Justice Network.

Not all the money that goes through the Caymans is dirty, and hedge funds argue that they need to keep their investment strategies secret to be competitive.

Nevertheless, "it is probably the best, certainly the most reputable, way of allowing fairly questionable money in large volume to go into mainstream financial markets," said Cobham.

An estimated \$483bn (£357.62bn) a year is lost in cross-border tax abuse by multinational companies and by individuals hiding assets in havens like the Cayman Islands, [according to the Tax Justice Network](#).

"Somehow, in the financial sector, we still have this idea that it's basically smart to game the system. If these are the people, and the culture, that is coming into public life then we've got a real problem," said Cobham.

When Sunak became a minister in 2019, he placed the investments he held from his years of working in finance into a 'blind trust'. Such agreements are intended to avoid conflicts of interest by handing over control of assets to a third party, but whether that works in practice is questionable.

“These trusts don’t necessarily come with any legal mechanism to prevent the owner of the assets actually dictating what happens, or indeed seeing through any claimed blindness,” said Cobham.

“If politicians were willing to make the arrangement transparent, including the legal documents, we might have some confidence in them,” he adds.

Sunak has declared the trust in his entry on the Register of Ministers’ Financial Interests, but not the contents of it. The rest of his disclosures are remarkably minimal for a man with an estimated net worth of £200m.

Aside from the trust, he has listed his London flat and the fact his wife, Akshata Murty, owns a venture capital investment company, Catamaran Ventures, which the couple founded together in 2013.

Murty, who Sunak met at Stanford, is the daughter of Indian billionaire NR Narayana Murthy, who co-founded the IT company Infosys. Her shares in that firm are worth £430m alone, a fortune larger than the Queen’s and enough to make her one of the richest women in Britain.

The Murthy/Murty family (Narayana’s children have dropped the ‘h’ from their name) is reported to have invested part of their wealth through Catamaran Ventures, though how much is unclear. Sunak resigned his directorship of the company in 2015.

Sunak's father-in-law has a £900m-a-year joint venture with Amazon.

Image not found or type unknown

Sunak’s father-in-law has a £900m-a-year joint venture with Amazon. | Sipa US / Alamy Stock Photo

Ministers must declare the financial interests of their close family – including in-laws – which might give rise to a conflict, but Sunak has declared only one of the companies that his wife owns. A host of other family assets – including a £900m-a-year joint venture with Amazon in India, owned by his father-in-law – are not mentioned, according to the Guardian.

Sunak is said to have met with the government’s then head of propriety and ethics, Helen MacNamara, before becoming chancellor, to review what interests should be declared. MacNamara said she was satisfied with what had been registered at the time.

He has strong links to right-wing think tanks

Sunak reportedly led the hawks within the cabinet who opposed taking action when scientists recommended a circuit-breaker lockdown in September 2020, arguing that restrictions would be too economically damaging. Johnson delayed the decision and infections spiralled leading to a more punitive and lengthier lockdown in November.

“Sunak’s been the voice most consistently pushing for watering down of COVID restrictions in the cabinet. So, if you like, he is a kind of a logical continuation of that Thatcherite impulse within the Tories,” said Phil Burton-Cartledge, the author of ‘Falling Down: The Conservative Party and the Decline of Tory Britain’.

Soon after becoming an MP in 2015, Sunak wrote [a report](#) calling for the creation of ‘freeports’ around the UK for the right-wing think tank, Centre for Policy Studies (CPS), which was co-founded by Margaret Thatcher.

The policy idea – that tax-free, deregulated outposts will revitalise post-industrial coastal cities – was fittingly tried by the former PM in the 1980s, before being dropped by David Cameron in 2012 after proving unsuccessful.

Sunak also worked for another right-wing think tank, Policy Exchange – which, like CPS does not declare its donors – before becoming an MP, and has [spoken at the Institute of Economic Affairs](#) since becoming chancellor. All three think tanks have been consistently ranked among the least transparent in the UK.

He has a slick PR operation

During the pandemic, billionaires such as NR Narayana Murthy saw their wealth increase – Murthy’s fortune was up 35% to £2.3bn in 2021– while inequality between the richest and poorest grew. What, then, explains the seeming popularity of a former hedge fund manager like Sunak at a time in midst of a cost of living crisis?

Part of the answer might be the way Sunak has presented himself. Unusually for a chancellor, he hired the co-founder of a social media agency to manage his public image after he was appointed.

Since then, the content on his social media channels – from casual ‘ask me anything’-style YouTube videos to puppy pictures on Instagram – have more closely resembled a celebrity influencer than a frontrunner for Tory leader.

Sunak hired the co-founder of a social media PR after being appointed chancellor.

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***Sunak hired the co-founder of a social media PR after being appointed chancellor. /
Rishi Sunak YouTube***

Jonathan Dean, an associate professor of politics at Leeds University, says this reflects broader political trends: “Forms of celebrity are increasingly prominent within politics, and that can either take the form of people who were conventional celebrities entering electoral politics, or it can also take the form of politicians trying to ape the publicity and performance traditionally associated with celebrity culture.”

Politicians draw on tactics from the world of celebrity influencers, Dean suggests, partly because they can mask their political views.

“A lot of politicians don’t have a particularly coherent or well-thought-through set of ideological commitments or kind of policy ideas. And I think certain forms of celebritisation allow them to circumvent that,” he said.

In Sunak's case, it seems he has been even more successful in influencing journalists than the public. A picture of him working from home in a hoodie became a media frenzy after columnists from Vogue and GQ complimented his looks, which, in turn, spawned mockery on social media. It wasn't long after that Sunak was being asked how he felt about being described as 'Dishy Rishi' in an interview with LadBible.

While Sunak may be the most popular Tory politician among the public, among party members he is second to the foreign secretary Liz Truss, his main rival for Tory leader if Johnson goes.

Burton-Cartledge suggests that this might be because he has not demonstrated the same zeal as Truss for pursuing a 'war on woke'.

"He is of the same mould as Cameron: economically Thatcherite, but socially liberal," said Burton-Cartledge. "That said, I can't see him rowing back on the tough rhetoric about migrants in the Channel."

By Adam Bychawski*

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Date Created

10/26/2022