

Why Osborne had no right to be surprised - according to...

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This [morning's Observer editorial is essential reading](#). Amongst its many insights is this one:

The trigger for Osborne's action [on tax relief on charitable donations] is a confidential study that revealed Britain's 20 biggest tax avoiders legally reduce their income tax bills by £145m in a year. Osborne was reportedly "shocked", though as chancellor, and previously shadow chancellor, it is difficult to understand why.

As chancellor, for instance, he must have been aware of the excellent research conducted by tax specialist Richard Murphy. In 2008, in a paper for the TUC, "[The Missing Billions](#)", Murphy estimated that £25bn is lost annually as a result of tax avoidance; £13bn from individuals and £12bn from the 700 largest corporations. This undermines the integrity of a tax system that is vital for a modern democracy, especially when we are meant to be "all in this together".

As the editorial concludes:

As philosopher Erich Fromm argued, the glue of a sane and decent society is shared experience. That is beyond reach when the rich man in his castle benefits hugely because the tax burden is shouldered by the poor man at the castle gate.

Which is why I argue that tax is the consideration in the social contract. But many wealthy people and large companies aren't paying. And then they wonder why society is falling apart. Now they have their answer.