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For the first time for more than a decade we have a major Treasury announcement today where George Osborne will not be playing a significant role. It seemed appropriate to take a look back at George Osborne's legacy as a result. The following appeared first on the website of Prime Economics:

Economists for Rational Economic Policies (EREP) invited network members to reflect on the economic legacy George Osborne bequeaths; the eve of the Autumn Statement is a timely occasion to take stock, as the Hammond era commences. Richard Murphy looks at Mr O's legacy (if any) on tax policy.

There is a fundamental ethical dimension required of tax practice, whoever undertakes it. If it is to be done successfully the participant must be honest. At this most basic of levels George Osborne's tax policy failed. There are three reasons why this is the case.

Firstly, George Osborne convinced himself that tax was a bad thing. Long before reaching office he flirted with flat taxation and the destruction of the power of the state implicit in it. Superficially he realised by 2008 that he had no choice but abandon this simplistic approach to tax, but in his heart he never got over the belief that tax hindered the accumulation of the rentier wealth of those whose interests he served. His dishonesty was in not admitting this. Although he slashed inheritance taxes, cut capital gains taxes, reduced corporation tax, increased VAT (and so the tax burden on the lowest earners) and oversaw a cut in the top rate of income tax, he never admitted that his explicit goal was to increase both the income and wealth divides. This, however, was very obviously what he was intent on doing. As a result Osborne's tax policy was profoundly unethical.

Second, Osborne happily played second fiddle to Cameron's policy on tackling tax havens and international tax abuse, but the rhetoric was never matched with reality. The reality was to be found in a 2010 document that declared the UK open for business and that a low tax policy was the clearest indication of the fact. So corporation tax rates were cut way beyond the expectations of anyone in business, our controlled foreign company rules that were meant to tackle offshore tax abuse by UK multinationals were gutted, and a tax policy designed to ensure that no income earned by a multinational outside the UK could ever be taxed on its remittance to this country was introduced. There were even new tax haven style constructs put into UK law, including a patent box arrangement so blatantly abusive it had to be amended under EU pressure and an offshore corporate finance money box scheme that lets multinationals pay tax at less than 5% on their international treasury income.

Tellingly almost none of the advantages went to small business: the advantages were only for the largest and wealthiest of companies. As a result the contribution of those large companies to the UK exchequer fell whilst that of small companies rose. Any claim that the UK was getting tough on tax avoidance looked hollow as a result.

Perhaps the best example of this is to be found in the General Anti-Abuse Rule: introduced in 2013 this has never been used because the obstacles put in the way of HMRC ever actually bringing a case are almost insurmountable. They even need the effective permission of a panel drawn from the tax profession before doing so. Osborne did then, when it came to ta avoidance always speak with a forked tongue and his words were never matched by his deeds: behind the charade his aim was to preserve the role of the British tax haven (with all its branch offices in places like jersey and Cayman) and he was remarkably successful in doing so.

There was a third core problem that suggested how unethical George Osborne was when it came to tax. From the day he arrived in office he insisted that the country had to suffer cuts and austerity because there was a shortage of revenues available to government. However, Osborne insisted on continuing the cuts to HMRC's staff started by Gordon Brown at the time of the merger of HM Customs & Excise and the Inland Revenue in the very different economic climate of 2005. As a result thousands of staff at HMRC lost their jobs on his watch, the level of service from HMRC collapsed (as was evidenced by a stream of reports from the House of Commons Public Accounts Committee) and the tax gap did not grow solely because of methodological changes that were seemingly designed to keep it fixed below the level inherited from Labour.

Worse, despite ongoing revelations there were almost no prosecutions of offshore tax evaders, up to 25% of UK companies failed to delver tax returns and our tax authority did not seem to care, whilst for all the talk of a Google tax, a deal was done with the company towards the end of Osborne's time in office that let it off most of any anticipated tax liability, neatly book-ending his career as Chancellor as a result: the deal with Vodafone in 2010 that appeared to do much the same thing for them and which led to the formation of UK Uncut was one of the first notable tax stories of his time in office.

The reality of Osborne the tax man was, then, that his record was a bit like that of the tax abusing multinational. He was always on the right side of the law but ever willing to use any loophole to avoid the responsibilities that his office demanded of him. He will not be remembered with affection by anyone within the tax profession. There will not, in fact, be a lot to remember him for. Once his headlines faded on tax his policy in this area, as in so many others, was all spin and no substance. That’s not the basis for a legacy.

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