

# The Sunak tax scandal and the global oligarchy

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Before being fined by the Metropolitan Police for breaking pandemic lockdown restrictions, Chancellor Rishi Sunak was already having a bad week over the exposure of his wife Akshata Murty's tax-avoidance.

In December 2020, the *World Socialist Web Site* described the multi-hundred millionaire as “the living embodiment of government in the service of the financial oligarchy... of rule of, by and for the oligarchy.” The recent scandal has confirmed this characterisation.

On Wednesday last week, the *Independent* newspaper revealed that Murty had been claiming non-domicile tax status, at the bargain rate of £30,000 a year and a promise of her intention to return to India someday, meaning she does not pay UK taxes on income earned abroad.

That income is substantial. Murty owns a 0.91 percent stake in her father's multibillion pound company Infosys, bringing her net worth to over half a billion pounds—“richer than the queen”, as the press have pointed out. In the last seven and a half years, the *Guardian* reports, she has received dividend payments of £54.5 million.

Factoring in the different rates of tax charged on that income across that period, Murty would have been charged roughly £20 million in taxes were it not for her non-dom status. That money alone would cover the April energy price hikes of nearly 29,000 households.

Of course, this isn't the half of it. The declared wealth and income of the super-rich is always the tip of the iceberg. The *Guardian* revealed last November that Murty owns shares in International Market Management, a company which avoids Indian tax by funnelling investments through the tax haven Mauritius. According to the *Independent*, she is linked to several trusts in the Cayman and British Virgin Islands which manage her business affairs.

On several of the documents seen by the paper, Sunak is listed as a beneficiary. Theleme Partners, a hedge fund Sunak co-founded before leaving in 2013, is also registered in the Cayman Islands. It is not known whether he still has a stake in the firm.

Before setting up Theleme, the chancellor worked at

investment bank Goldman Sachs and was a partner at another hedge fund. Until October 2021, 19 months into his chancellorship, he held a US Green Card, requiring him to pay US tax on worldwide income and to declare his intention to make America his permanent home. Most estimates place his personal wealth at £200 million.

Sunak's response to these exposures is also revealing. He bullishly told reporters of Murty, “Every single penny she earns in the UK she pays UK taxes on” and accused the press of “awful” behaviour and “unpleasant smears”.

The chancellor is a product of his social circle. By its standards, he leads a very normal life.

Parts of London has been transformed into a playground for the rich. Research published by the University of Warwick and the Economic and Social Research Council found that whereas fewer than three in a thousand people earning less than £100,000 a year claim non-dom status, more than four in 10 earning more than £5 million do, as do more than two in 10 bankers earning more than £125,000. In the Cities of London, and Westminster, and Kensington constituencies, they make up 12 percent of the population, rising to 20 percent in some local areas.

Among them for several years was Sunak's cabinet colleague, Health Secretary Sajid Javid, formerly chancellor himself. While working as a banker for Chase Manhattan and Deutsche Bank, earning up to £3 million a year, he was a tax resident in of the US between 1992 and 1996. He held non-dom status in the UK between 2000 and 2006 before leaving for Singapore. Becoming an MP in 2010, he held his wealth in an offshore trust until becoming a minister in 2012.

The two chancellors, Javid in the very lowest ranks, and their party are political representatives of a malignant social phenomenon supercharged by globalisation—a global oligarchy possessing unimaginable fortunes looted from society and contributing nothing to it.

Between 1995 and 2020, the world's richest 1 percent captured more than a third of all new wealth created, taking its share to 37.8 percent, according to the World Inequality

Lab's 2021 *World Inequality Report*. To place in the global 1 percent requires a personal wealth of roughly £710,000—or, as Sunak would call it, chump change. Reaching the global top 0.1 percent requires close to £3 million. For the top 0.01 percent, the richest half a million people on the planet, the figure is just under £15 million, putting the chancellor of the United Kingdom and his wife in the global stratosphere.

These gains are a one-way street. The *Economist* reported in 2019 that the income share of Britain's top 1 percent increased by more than a third in the 30 years to 2015. The share of the top 0.1 percent nearly doubled, and the share of the top 0.01 more than tripled.

Where there used to be a face-saving separation between the super-rich and their political representatives, their tightened grip on society and the putrefaction of democracy mean parliaments everywhere have become a direct tool of the oligarchy.

Sunak decided on a stint in politics for a shot at being PM. With that ship likely sailed, the *Telegraph* reports, based on sources close to him, "If it became apparent he wasn't going to be prime minister, he would just go." The paper continues, "he will move his family to Santa Monica, where they have a £5.5 million seafront penthouse, and pursue a career in Silicon Valley." He is known to refer to California as "home".

Coming on the back of the Greensill Capital affair implicating former prime minister David Cameron and the Pandora Papers exposure of the UK as a cesspit of the super-rich, the Sunak scandal will surprise very few.

A timely YouGov survey released last weekend found that just 6 percent of voters felt their views were the main influences on government policy. Twenty five percent said the biggest influences were major donors to political parties, 16 percent said business groups and corporations, 13 percent newspapers and the media and 12 percent lobbyists and pressure groups. Just 19 percent of 18–24-year-olds said British democracy served them well, and fewer than a quarter of 25–49-year-olds.

Millions recognise British "democracy" for the vast Ponzi scheme it really is. But what conclusions are to be drawn from this situation, and from the actions of the corporate and financial oligarchy it serves?

The line of the Labour Party and the media has been to attack Sunak as a "hypocritical" and "out of touch" politician incapable of representing the British people. But this is a reactionary diversion. The answer for the working class is not to find better representatives of some "national interest". It is to recognise that no such interest exists, as Sunak and his fellow millionaires and billionaires understand very well even as they and the Labour opposition wave the Union Jack and spout patriotic drivel.

Their allegiance is to their class interest; a class which uses its enormous resources to find the best opportunities around the world for the exploitation of the working class, the securing of government handouts and the storage of its grotesque fortunes. The nation state, whichever suits at the time, is a tool for achieving those ends through its provision of ample financial support, pursuit of plunder and advantage abroad, and above all its suppression and division of the international working class.

Workers, too, have a class interest transcending all national boundaries: for the expropriation of this capitalist class and the reorganisation of economic life to fulfil social needs, not the private profits of a tiny few. Doing so requires a decisive break with all political and organisational obstacles to their ability to act as an international force and mobilise their full social power.

The primary obstacles in every country are the corporatist trade unions, which exist to tie the working class to "their" companies and nation states, and which have presided over an unprecedented transfer of wealth to the super-rich.

In opposition, the International Committee of the Fourth International has launched the International Workers Alliance of Rank-and-File Committees, which, "with the political assistance of the Fourth International and the Socialist Equality Parties, will strive to unify workers in a common worldwide struggle, opposing every effort by capitalist governments and the reactionary proponents of the innumerable forms of national, ethnic and racial chauvinism and identity politics to split up the working class into warring factions."

Only with this internationalist and socialist perspective can the working class end the domination of society and evisceration of democracy by the Sunaks and Murty's of this world.



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