

Cruel EI Premium Hikes Deflect From Progressive Taxes

by Stephen Elliott-Buckley - Thursday, October 14, 2010

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Despite our patently unfair tax system in Canada that continues to favour the rich and punish the destitute and those who are barely solvent, Harper has decreed a tax increase.

Sadly, it will be levied on EI premiums: 0.15% and 0.21% for workers and employers respectively for each of the next three or four years.

Not surprisingly [the *National Post* printed a commentary from Dan Kelly](#), of the Canadian Federation of Independent Business opposing this tax hike because of its burden on entrepreneurs, but oh yes, on workers too.

He correctly notes that this will lead to a pay cut for anyone not in line for a raise over the next four years, like public sector workers in BC who will get 0% raises each year while there is a provincial government deficit budget.

The CFIB is encouraging its members to push back on Harper to reverse this decision. They recently issued a report claiming that 0.36% increase in EI premiums will lead to 170,000 lost jobs.

Not surprisingly, the CFIB reports 10,000 business owners have joined their lobbying campaign, while only a few thousand workers have joined. This is likely because they do not have the organizing mindset to reach workers, since their focus is generally the corporations that continue to nickel and dime their employees.

The CFIB is also correct to criticize the Con-Lib coalition for sucking EI surpluses into general revenue, but likely not because it impairs worker protection.

A progressive tax system is needed to effectively redistribute wealth in society, to protect workers from the psychotic corruption and mismanagement of global capitalism.

Corporations, particularly transnational ones increasingly seek to operate in countries with lower tax rates. That creates a race to the bottom for countries to cut taxes on corporations and the wealthy more than other nations competing for corporate investment. In BC, small business taxes are [set to plummet to a mind-boggling 0% in 2012](#).

Who is steering the ship here?

In arguing that it is wrong for workers and businesses to repay federal stimulus packages through the EI premium increase, the CFIB is right, but not for entirely the correct reasons.

A reversal of tax cuts for corporations and the wealthy are the more just way to fund the stimulus.

In the end, the CFIB is promoting its Facebook page called “Stop the Tax Grab.” Sadly, that’s the wrong message.

We cannot frame taxes as “grabs”. Taxes are how we buy things together, as a society: education, healthcare, electricity, transportation, human services, etc.

While EI premium increases punish workers, we need to return to a more fair tax system. To do this, we need to call out irresponsible, corrupt global corporate capitalism for its neglect of the social good.

Corporations are not designed to make society better. They’re out to extract profit from anything they can, wherever they can.

It is society’s job to regulate corporations to ensure we all don’t suffer from their excesses. We are not doing this since the capitalist class has dominated our political power.

This simply must stop.