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Who Should Vote?

Status as an adult citizen in a political jurisdiction is seen as a sufficient condition to entitle one to a vote for a representative or participate in collective decision-making. Why not apply that same criterion and entitle adult citizens to voting rights to decide the composition of corporate boards of directors and other corporate matters? If mere adult status and citizenship is sufficient for decision-making in the political arena, why not in the economic arena as well?

The easy answer/question is: why should anyone who has no stake or interest in a corporation have a say in its decision-making? The only people who should have voting rights are stockholders, who have ownership rights in the corporation. We generally agree that voting power should be proportional to their stake in the corporation, namely, how many shares they own.

If votes were not proportional to one's stake (stock) in the corporation, including none at all, people might easily vote in ways that personally benefit them but harm the best interests of the corporation and other stockholders. For example, imagine if all Detroit citizens were entitled to vote on decisions made by General Motors. Suppose these voters managed to get on the ballot the question whether the corporation should give all its profits to local charitable organizations or be plowed back into the corporation as retained earnings. It is not at all inconceivable that donating General Motors' profits to local charities might win by a landslide. People who have little or no stake in General Motors can be expected to behave differently from those who do, simply because their decisions are less costly to them—others bear the cost of their decisions.

The identical cost/benefit assessment applies to decision-making in the political arena. Suppose a politician campaigned on the promise to increase spending on various social programs that would be funded with higher taxes. People who pay little or no taxes would see themselves as coming out ahead by voting for that politician. They would bear little or none of the costs, at least directly in the form of taxes, and they would benefit from the promised social spending increase. As such they could be counted on to support such a politician. Survey polls showed a less-than-enthusiastic response to President George W. Bush's calls for tax cuts. Maybe a good part of the reason is the fact that so many Americans pay little or no income taxes.

According to the most recent U.S. Treasury Department figures: in 1997, the top 1 percent of income earners (those with incomes of $250,000 and higher) paid 33 percent of all federal income taxes. The top 5 percent of income-earners ($108,000 and over) paid 52 percent, and the top 50 percent ($36,000 and over) paid 96 percent of income taxes. That means the bottom 50 percent of income-earners paid only 4 percent of all federal income taxes. Therefore, if

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someone is among the bottom 50 percent of income earners, what does he care about cuts in—or for that matter, increases—in income taxes? But if calls for tax cuts imply that they might be offset by spending cuts in social programs, he is apt to see his interests threatened and register disagreement with tax cuts.

From a moral point of view, we might ask just how fair is it to allow those who pay little or no taxes to use the political process to decide how much taxes others should pay? There should be a connection between one's stake in the financial wherewithal of our nation and one's right to participate in the decision-making process, at least in financial matters. We should consider adoption of a procedure similar to decision-making in the corporate arena: you get to vote if you have financial stake in the country. The size of your vote depends on how much of a stake you have. Therefore, at least in federal elections, we might have a provision whereby a person would have one vote per each one thousand dollars (or fraction thereof) that he paid in income taxes.

Such a voter qualification is not that far-fetched. Colonial and revolutionary Americans believed that a man's independence, manifested by land ownership or having paid taxes, earned him membership in the political community and hence the right to vote. His economic stake in the society, it was thought, would encourage him to act in the public interest.

Some might find rejection of universal suffrage offensive. An alternative to majoritarian tyranny, where people vote themselves the money and resources of others, is to change the rule for increasing taxes and spending from a simple-majority to a super-majority requirement. An extreme version of a super-majority rule is the unanimity rule. That rule gives a person maximum protection against being harmed by a collective decision. If the person perceives himself as being harmed, he just doesn't vote for the measure and it does not pass. Some variant of unanimity, a super-majority of say two-thirds or three-quarters vote, should be required for taxing and spending increases.

My entire discussion and concerns would be irrelevant were Congress to heed its constitutional authority—the authority enumerated in Article I, Section 8 of the United States Constitution. □